

**SCHOOL DISTRICT  
OF**

**BURLINGTON  
TOWNSHIP**

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

**Comprehensive Annual Financial Report  
For the Fiscal Year Ended June 30, 2017**

**Comprehensive Annual  
Financial Report**

of the

**Burlington Township Board of Education**

Burlington, New Jersey

For the Fiscal Year Ended June 30, 2017

Prepared by  
Burlington Township Board of Education  
Finance Department

# BURLINGTON TOWNSHIP SCHOOL DISTRICT

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**Introductory Section**

# BURLINGTON TOWNSHIP SCHOOLS

P.O. Box 428 - Hopkins Building, Burlington, NJ 08016, 609-387-3955

[www.burltwpsch.org](http://www.burltwpsch.org)

Mrs. Mary Ann Bell, *Superintendent*  
[mbell@burltwpsch.org](mailto:mbell@burltwpsch.org)

Mr. Nicholas Bice, *Business Administrator*  
[nbice@burltwpsch.org](mailto:nbice@burltwpsch.org)

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October 12, 2017

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

Dear Board Members:

The comprehensive annual financial report of the Burlington Township School District for the fiscal year ended June 30, 2017, is hereby submitted. Responsibility for the accuracy of the data, completeness and fairness of the presentation, including all disclosures, rests with the management of the Burlington Township Board of Education. To the best of our knowledge and belief, the data present in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report has been prepared in accordance with Governmental Accounting Standards Board Statement 34 and is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the general purpose financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Title 2. U.S. Code of Federal Regulations, cost principles, and audit requirements for federal awards (uniform guidance); and the State of New Jersey Circular OMB15-08. Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws, regulations, findings and recommendations, are included in the single audit section of this report.

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

The District provides a full range of educational services appropriate to grade levels Pre-K through grade 12. These include regular and vocational, as well as special education for disabled students between the ages of 3 and 21 years old. The District completed the 2016-2017 fiscal year with an enrollment of 3,869 students, which is substantially unchanged from the previous year's enrollment. The district's highest enrollment was recorded in 2006-2007 at 4,182 students. The following details the changes in the student enrollment of the District over the last ten years.

Average Daily Enrollment

Fiscal Year	Average Student Enrollment	Percent Change
2007-2008	4,179	.71
2008-2009	4,169	-2.39
2009-2010	4,055	-2.73
2010-2011	4,104	1.20
2011-2012	4,061	- 1.05
2012-2013	4,021	- .98
2013-2014	4,043	.55
2014-2015	3,994	-1.21
2015-2016	3,991	- .07
2016-2017	3,869	-3.03

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

3) **MAJOR INITIATIVES**

**STRATEGIC PLANNING AND GOAL SETTING:** The Burlington Township School District engages in a yearly goal setting process that is driven by a long-range strategic plan. The Mission of the District is *to develop the intellectual, creative, and social potential of each child through an active partnership with all members of the community.* The District has established four broad goals focused on ***improving teaching and learning, fostering a safe and secure climate, engaging the community in meaningful ways, and promoting efficiency and quality through effective management and operations.*** During 2016-2017, the District focused on objectives within these goal areas.

**STUDENT ACADEMIC PROGRESS:** Student academic progress is measured, in part, by standardized assessments. These assessments include PARCC and NJASK Science, SAT. The district historically outperforms the state in NJASK grades 4 and 8 by considerable amounts. Burlington Township has been recognized for the last three consecutive years for increased scores and numbers of Advanced Placement Exams. For June 2016, over 99% of Burlington Township students have met the State testing standards or alternative portfolio completion as required for graduation. Additionally, Burlington Township High School requires four years of study in all four core content areas, which exceeds state graduation requirement. The Burlington Township attendance rate is over 95% and the dropout rate less than 1%. Ninety-five percent of Burlington Township students continue their education after high school at four-year colleges and universities, community colleges, and technical schools.

**SUMMARY OF SPECIFIC INITIATIVES:** The Center for Education has worked on aligning the district's curricula to the New Jersey Student Learning Standards. The district was prepared for the move to PARCC on-line testing. The district utilizes various online adaptive assessment software for both math and language arts benchmarking to further understand the needs of our students.

**REFERENDUM DECEMBER 2015:** A referendum was approved by voters in December 2015 to refurbish needed specific facilities in each school. The timing took into consideration the expiration of debt currently outstanding. Several of the projects are complete. The district encountered a significant issue when mercury was found in the gymnasium floor in the B. Bernice Young School. The district abated the mercury floor and full details are available on the district's website. Additional projects will continue to be undertaken until all projects identified are complete.

**SCHOOL SAFETY AND SECURITY:** School safety and security continues to be an important topic in education. From 2009-2014 the district has engaged in a five-year safety and security project entitled *Project Guardian*. The district has engaged in a continuous safety and security process review team entitled *Team Guardian*. The district's significant and innovative efforts have been acknowledged in the states task force report on and mentioned by name in said report.

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

- 4) **INTERNAL ACCOUNTING CONTROLS:** Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting 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 derived; and (2) the valuation as well as to determine that the District has complied with applicable laws and regulations. The district fiscal management team reviews the standard operating procedures on an annual basis and alters the SOPs as needed to continue to ensure the fiscal responsibility is well managed.
- 5) **BUDGETARY CONTROLS:** In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the general fund, the special revenue fund, and the debt service fund. Capital budgets are approved for capital improvements and are accounted for in the capital project fund.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are reported as reservations of fund balance at June 30, 2017.

- 6) **CASH MANAGEMENT:** The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements," Note 2. The District has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the ACT.
- 7) **RISK MANAGEMENT:** The Board carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, student accident, and fidelity bonds.
- 8) **FISCAL AND OPERATIONAL EFFICIENCY:** The Burlington Township Board of Education is considered efficient in all areas reviewed by the Department of Education during the mid-year budget review. This efficiency was borne from need resulting from periods of large enrollment growth and stagnant state aid during the late 1990's and 2000's. This efficiency has required the district to utilize such strategies as outsourcing almost all operational department personnel including facilities, food service, technology and transportation and in recent years, the outsourcing of in-class non-instructional support. The 2% cap on property tax increases and the state's lack of adequate funding for the district as noted in the state's aid notification indicating a shortfall to the district based on the state's current formula of more than \$3 million will continue to be a challenge for the district.
- 9) **OTHER INFORMATION: Independent Audit -** State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The Board selected the accounting firm of Inverso & Stewart. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Title 2 U.S. Code of Federal Regulations, cost principles and audit requirements for federal awards (uniform guidance); and State of New Jersey Circular OMB 15-08 The auditor's report on the general purpose financial statements is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.
- 10) **ACKNOWLEDGEMENTS:** We would like to express our appreciation to the members of the Burlington Township Board of Education for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our central office staff. We greatly appreciate their fine work.

Sincerely,

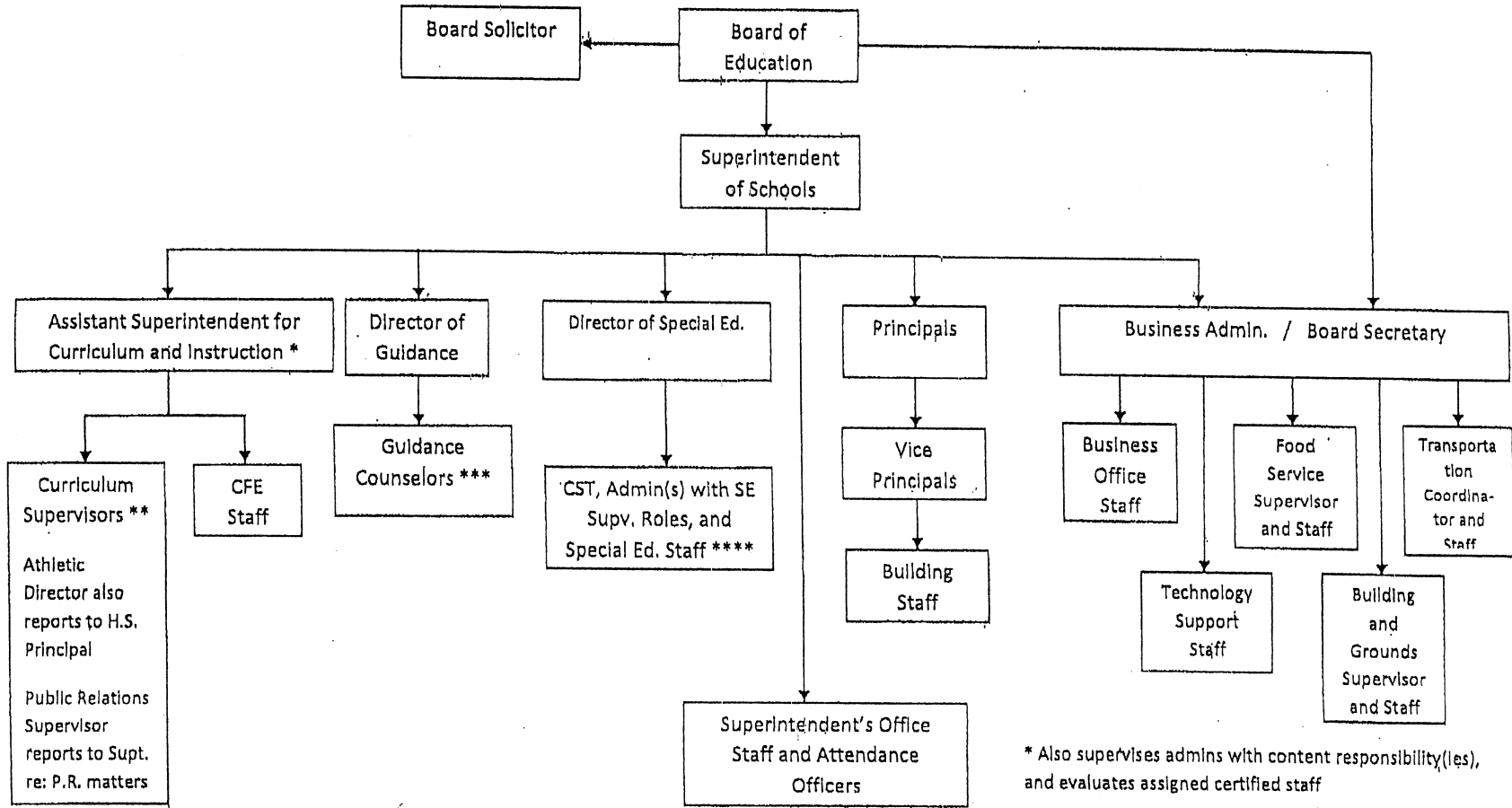


Mary Ann Bell  
Superintendent of Schools

Sincerely,



Nicholas Bice  
Business Administrator/Board Secretary



Revised First Reading May 2013

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

\*\* Also evaluates assigned certified staff.

\*\*\* Guidance Counselors also report to building principals.

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

**BOARD OF EDUCATION**  
**TOWNSHIP OF BURLINGTON**  
**BURLINGTON, NEW JERSEY**

ROSTER OF OFFICIALS  
 JUNE 30, 2017

<b><u>Members of the Board of Education</u></b>	<b><u>Term Expires (December)</u></b>
Maryann McMahon-Nester, President	2017
Susan Eichmann, Vice President	2019
Donna Custard	2019
Milton Dilligard	2017
Jack Newman	2019
Velina Marie Riggi	2018
Israel Rivera	2018
Balvir Singh	2017
Michelle Spotts	2018

**Other Officials (as of June 30, 2017)**

Mrs. Mary Ann Bell, Superintendent of Schools  
 Mr. Nicholas Bice, School Business Administrator/Board Secretary  
 Ms. Ann Britt, Assistant Superintendent for Curriculum & Instruction  
 Mr. Christopher Giannotti, Assistant Superintendent for Special Education  
 Mrs. Elizabeth Scott, Director of Human Resources and Community Relations



**BURLINGTON TOWNSHIP SCHOOL DISTRICT**  
**Consultants and Advisers**

**Audit Firm**

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

**Attorney**

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

**Special Education Counsel**

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

**Bond Counsel**

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

**Official Depositories**

Investors Bank  
Beneficial Bank  
NJ State Cash Management

**Financial Section**

**INVERSO & STEWART, LLC**  
Certified Public Accountants

651 Route 73 North, Suite 402  
Marlton, New Jersey 08053  
(856) 983-2244  
Fax (856) 983-6674  
E-Mail: [lscpas@concentric.net](mailto:lscpas@concentric.net)

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

**INDEPENDENT AUDITOR'S REPORT**

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

***Report on the Financial Statements***

I have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Burlington Township School District, in the County of Burlington, State of New Jersey, as of and for the fiscal year ended June 30, 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***

My responsibility is to express opinions on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and in compliance with audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 School District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

## *Opinions*

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Burlington Township School District, in the County of Burlington, State of New Jersey, as of June 30, 2017, and the respective changes in financial position and where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

## *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, schedule of the School District's proportionate share of the net pension liability, and schedule of the School District's contributions, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Burlington Township School District's basic financial statements. The introductory section, combining statements and related major fund supporting statements and schedules, statistical section, and schedule of expenditures of federal awards are presented for purposes of additional analysis, as required by the Office of School Finance, Department of Education, State of New Jersey and are not a required part of the basic financial statements. The accompanying schedules of federal awards and state financial assistance, as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost principles, and Audit Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), and State of New Jersey Circular 15-08-OMB, 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 schedules of expenditures of federal awards and state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the 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 and statistical sections 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, I do not express an opinion or provide any assurance on them.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, I have also issued my report dated October 12, 2017 on my consideration of the Burlington Township School District's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Burlington Township School District's internal control over financial reporting and compliance.

***INVERSO & STEWART, LLC***  
Certified Public Accountants



Robert P. Inverso  
Certified Public Accountant  
Public School Accountant No. CS001095

Marlton, New Jersey  
October 12, 2017

**INVERSO & STEWART, LLC**  
 Certified Public Accountants

651 Route 73 North, Suite 402  
 Marlton, New Jersey 08053  
 (856) 983-2244  
 Fax (856) 983-6674  
 E-Mail: [iscpas@concentric.net](mailto:iscpas@concentric.net)

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

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

**INDEPENDENT AUDITOR'S REPORT**

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

I have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial statement audits contained in the *Government Auditing Standards*, issued by the Comptroller General of the United States, and the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Burlington Township School District, in the County of Burlington, State of New Jersey, as of and for the fiscal year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued my report thereon dated October 12, 2017.

***Internal Control Over Financial Reporting***

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

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

My consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the Burlington Township School District's financial statements are free from material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

***Purpose of this Report***

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, 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.

***INVERSO & STEWART, LLC***  
Certified Public Accountants



Robert P. Inverso  
Certified Public Accountant  
Public School Accountant No. CS001095

Marlton, New Jersey  
October 12, 2017

Required Supplementary Information - Part I

Management's Discussion and Analysis



**Burlington Township School District  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2017**

As management of the Board of Education of Burlington Township, New Jersey (School District), we offer readers of the School District's financial statements this narrative overview and analysis of the School District for the fiscal year ended June 30, 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.

**Financial Highlights**

- The assets of the School District exceeded its liabilities at the close of the most recent fiscal year by \$34,658,882 (*net position*).
- Governmental activities have deficit unrestricted net position of \$11,736,951. The accounting treatments in the governmental funds for compensated absences payable, pension liability, and the June state aid payments, and the state statute that prohibits school districts from maintaining more than 2% of its adopted budget as unrestricted fund balance are primarily responsible for this balance.
- The total net position of the School District increased by \$239,219, or a 0.69% increase from the prior fiscal year-end balance. The majority of the increase is attributable to the decrease in Debt.
- Fund balance of the School District's governmental funds increased by \$8,039,687 resulting in an ending fund balance of \$12,468,698. This increase is largely due to the results of operations in the Capital Fund.
- Business-type activities have unrestricted net position of \$92,505 which may be used to meet the School District's ongoing obligations of the food service operations and performing arts center.
- The School District's long-term obligations increased by \$6,374,755 which is the result an increase in serial bond debt and an increase in compensated absences.

**Overview of the Basic Financial Statements**

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

**District-wide Financial Statements**

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

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

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

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

### **Fund Financial Statements**

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

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

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

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

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

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

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

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

## **Notes to the Basic Financial Statements**

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

### **Other Information**

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

### **District-wide Financial Analysis**

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

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

Current and long-term liabilities are classified based on anticipated liquidation either in the near-term or in the future. Current liabilities include accounts payable, accrued salaries and benefits, unearned revenues, and current debt obligations. The liquidation of current liabilities is anticipated to be either from currently available resources, current assets or new resources that become available during fiscal year 2017. Long-term liabilities such as long-term debt obligations and compensated absences payable will be liquidated from resources that will become available after fiscal year 2017.

The assets of the primary government activities exceeded liabilities by \$34,244,533 with an unrestricted deficit balance of \$11,736,951. The net position of the primary government does not include internal balances.

A net investment of \$33,307,706 in land, improvements, buildings, equipment and vehicles which provide the services to the School District's 3,878 public school students, represents 97.26% of the School District's net position. Net position of \$4,887,518 has been restricted to provide resources for future capital expansion and renovation projects, \$1,419,000 for maintenance reserve, \$35,452 for repayment of debt, \$4,937,504 for year-end encumbrances and \$1,394,304 has been restricted for future budget appropriation.

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

**Burlington Township School District  
Comparative Summary of Net Position  
As of June 30, 2017 and 2016**

	Governmental Activities		Business-Type Activities		District-Wide	
	2017	2016	2017	2016	2017	2016
Assets:						
Current assets	\$ 13,053,756	\$ 6,297,370	\$ 119,564	\$ 157,603	\$ 13,173,320	\$ 6,454,973
Capital assets	61,312,475	62,056,198	321,844	334,117	61,634,319	62,390,315
Total assets	74,366,231	68,353,568	441,408	491,720	74,807,639	68,845,288
Deferred Outflow of Resources	3,126,717	1,376,939			3,126,717	1,376,939
Liabilities:						
Current Liabilities	5,282,997	6,079,868	27,059	28,006	5,310,056	6,107,874
Noncurrent Liabilities	36,318,118	27,505,145			36,318,118	27,505,145
Total liabilities	41,601,115	33,585,013	27,059	28,006	41,628,174	33,613,019
Deferred Inflow of Resources	1,647,300	2,189,545			1,647,300	2,189,545
Net position	\$ 34,244,533	\$ 33,955,949	\$ 414,349	\$ 463,714	\$ 34,658,882	\$ 34,419,663
Net position consists of:						
Net investment in						
Capital assets	\$ 33,307,706	\$ 40,367,864	\$ 321,844	\$ 334,117	\$ 33,629,550	\$ 40,701,981
Restricted net position	12,673,778	4,858,720			12,673,778	4,858,720
Unrestricted net position	(11,736,951)	(11,270,635)	92,505	129,597	(11,644,446)	(11,141,038)
Net position	\$ 34,244,533	\$ 33,955,949	\$ 414,349	\$ 463,714	\$ 34,658,882	\$ 34,419,663

**Governmental Activities**

Governmental activities increased the net position of the School District by \$288,584 during the current fiscal year. Key elements of the increase net position for governmental activities are as follows:

- Repayment of bond principal \$3,595,000.
- Issuance of serial bond for \$10,114,000.

**Business-type Activities**

Business-type activities decreased the School District's net position by \$49,365. Key elements of the decrease in net position for business-type activities are as follows:

- The Food Service Fund had a net loss of \$31,925 and the Performing Arts Center had a net loss of \$17,440.

**Burlington Township School District**  
**Comparative Schedule of Changes in Net Position**  
**As of and for the Fiscal Year Ended June 30, 2017 and 2016**

	Governmental Activities		Business-Type Activities		District-Wide	
	2017	2016	2017	2016	2017	2016
<b>Revenues:</b>						
<b>Program Revenues</b>						
Charges for services	\$ 232,010	\$ 833,398	\$ 813,419	\$ 1,016,231	\$ 1,045,429	\$ 1,849,629
Operating grants and Contributions	9,351,983	7,394,673	629,094	655,224	9,981,077	8,049,897
Capital grants and Contributions						
<b>General Revenues:</b>						
Property Taxes	43,036,371	42,100,515			43,036,971	42,100,515
Unrestricted State Aid	19,857,334	20,421,926			19,857,334	20,421,926
Other Revenues	361,028	917,114	37,110	907	398,138	918,021
<b>Total Revenues</b>	<b>72,838,726</b>	<b>71,667,626</b>	<b>1,479,623</b>	<b>1,672,362</b>	<b>74,318,349</b>	<b>73,339,988</b>
<b>Expenses:</b>						
<b>Governmental Activities:</b>						
Instruction	28,934,142	28,193,620			28,934,142	28,193,620
Tuition	2,721,679	2,492,883			2,721,679	2,492,883
Related Services	8,402,913	8,074,909			8,402,913	8,074,909
Administrative Services	3,175,629	3,211,693			3,175,629	3,211,693
Central Services	1,243,499	2,018,636			1,243,499	2,018,636
Operations and Maintenance	7,744,288	6,280,321			7,744,288	6,280,321
Transportation	2,832,214	2,853,287			2,832,214	2,853,287
Employee Benefits	16,613,737	15,249,854			16,613,737	15,249,854
Charter School	10,005	18,393			10,005	18,393
Interest on long-term Debt	745,241	745,475			745,241	745,475
Other	126,795	130,504			126,795	130,504
<b>Business-Type Activities:</b>						
Food Service Operations			1,471,199	1,683,937	1,471,199	1,683,937
Performing Arts Center			57,789	63,499	57,789	63,499
<b>Total Expenses</b>	<b>72,550,142</b>	<b>69,269,575</b>	<b>1,528,988</b>	<b>1,747,436</b>	<b>74,079,130</b>	<b>71,017,011</b>
<b>Increase in net position</b>						
Before transfers	288,584	2,398,051	(49,365)	(75,074)	239,219	2,322,977
Transfers						
<b>Changes in net position</b>	<b>288,584</b>	<b>2,398,051</b>	<b>(49,365)</b>	<b>(75,074)</b>	<b>239,219</b>	<b>2,322,977</b>
<b>Net position, July 1, as restated</b>	<b>33,955,949</b>	<b>31,557,898</b>	<b>463,714</b>	<b>538,788</b>	<b>34,419,663</b>	<b>32,096,686</b>
<b>Net position, June 30,</b>	<b>\$ 34,244,533</b>	<b>\$ 33,955,949</b>	<b>\$ 414,349</b>	<b>\$ 463,714</b>	<b>\$ 34,658,882</b>	<b>\$ 34,419,663</b>

## **Financial Analysis of the Governmental Funds**

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

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

As of the end of the current fiscal year, the School District's governmental funds reported a combined ending fund balance of \$12,468,698, an increase of \$8,039,687 in comparison with the prior year. The majority of the increase is attributable to the results of operations in the capital fund

The unreserved fund balance for the School District at the end of the fiscal year includes a combination of an unreserved deficit fund balance for the General Fund of \$205,080, \$3,093,475 in the Capital Projects Fund and \$35,452 in the Debt Service Fund. The remainder of the fund balance is reserved to indicate that it is not available for new spending because it has already been committed 1) as restricted cash reserved for future capital outlay expenditures of \$1,794,043, 2) \$1,419,000 for maintenance reserve, 3) \$1,394,304 appropriated as a revenue source in the subsequent year's budgets, and 3) \$4,937,504 reserved for encumbrances.

### **General Fund Budgetary Highlights**

There was a \$433,215 difference between the original budget and the final amended budget.

At the end of the current fiscal year, unassigned fund balance (budgetary basis) of the general fund was \$1,531,478, while total fund balance (budgetary basis) was \$6,404,259. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance (budgetary basis) and total fund balance (budgetary basis) to total general fund expenditures. Actual (budgetary basis) expenditures of the General Fund including other financing uses amounted to \$66,684,503. Unassigned fund balance (budgetary basis) represents 2.29% of expenditures while total fund balance (budgetary basis) represents 9.60% of that same amount.

### **Capital Asset and Debt Administration**

The School District's investment in capital assets for its governmental and business-type activities as of June 30, 2017, totaled \$61,634,319 (net of accumulated depreciation). This investment in capital assets includes land, improvements, buildings, equipment and vehicles. The total decrease in the District's investment in capital assets for the current fiscal year was \$755,996, or a 1.21% decrease. This decrease is due to annual depreciation expense less capital asset purchases.

**Capital Asset (net of accumulated depreciation)  
June 30, 2017 and 2016**

	Governmental Activities		Business-Type Activities		District-Wide	
	2017	2016	2017	2016	2017	2016
Land	\$ 1,621,644	\$ 1,621,644	\$ -	\$ -	\$ 1,621,644	\$ 1,621,644
Construction in progress						
Site Improvements	747,878	200,080			747,878	200,080
Buildings and Building Improvements	56,373,000	57,169,314	316,071	323,597	56,689,071	57,492,911
Equipment	2,569,953	3,065,160	5,773	10,520	2,575,726	3,075,680
<b>Total</b>	<u>\$ 61,312,475</u>	<u>\$ 62,056,198</u>	<u>\$ 321,844</u>	<u>\$ 334,117</u>	<u>\$ 61,634,319</u>	<u>\$ 62,390,315</u>

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

*Long-term debt* – During the fiscal year ended June 30, 2017, the School District had \$27,549,000 in serial bonds payable, and \$1,602,918 in compensated absences.

State statutes limit the amount of general obligation debt that the District may issue. At the end of the current fiscal year, the legal debt limit was \$95,556,527. The available amount as of June 30, 2017 is \$68,007,527.

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

**Economic Factors and Next Year's Budgets and Rates**

The following factors were considered and incorporated into the preparation of the School District's budget for the 2017-18 fiscal year.

- For the 2017-18 fiscal year the School District will be receiving an increase in state aid. The local tax levy in the General Fund increased by \$791,396 or 2.00 % as salaries continue to increase contractually. The 2017-18 General Fund Budget is \$595,231 more than the previous year or a 0.98% increase.
- The tax rate decreased from \$1.946 in 2016 to \$1.907 in 2017, a 2.00% decrease.

**For the Future**

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

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

### **Requests for Information**

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



Basic Financial Statements

District-Wide Financial Statements

**BURLINGTON TOWNSHIP SCHOOL DISTRICT**  
**Statement of Net Position**  
**June 30, 2017**

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>ASSETS:</b>			
Cash and cash equivalents	\$ 8,794,076	\$ 228,221	\$ 9,022,297
Receivables, net	2,359,113	162,471	2,521,584
Inventory		33,215	33,215
Internal balances	304,343	(304,343)	
Restricted assets:			
Restricted cash and cash equivalents	1,596,224		1,596,224
Capital assets, net (Note 5)	61,312,475	321,844	61,634,319
Total assets	<u>74,366,231</u>	<u>441,408</u>	<u>74,807,639</u>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>			
Deferred outflows of resources from pensions	<u>3,126,717</u>		<u>3,126,717</u>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES:</b>	<u>77,492,948</u>	<u>441,408</u>	<u>77,934,356</u>
<b>LIABILITIES:</b>			
Accounts payable			
Related to pensions	331,074		331,074
Other	540,612		540,612
Unearned revenue	44,446	27,059	71,505
Other liabilities			
Accrued interest	482,700		482,700
Noncurrent liabilities:			
Due within one year	3,884,165		3,884,165
Due beyond one year	36,318,118		36,318,118
Total liabilities	<u>41,601,115</u>	<u>27,059</u>	<u>41,628,174</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>			
Deferred Inflows of resources from pensions	<u>1,647,300</u>		<u>1,647,300</u>
<b>TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES:</b>	<u>43,248,415</u>	<u>27,059</u>	<u>43,275,474</u>
<b>NET POSITION:</b>			
Net investment in capital assets	33,307,706	321,844	33,629,550
Restricted for:			
Capital Projects	9,545,718		9,545,718
Other purposes	3,128,060		3,128,060
Unrestricted	<u>(11,736,951)</u>	<u>92,505</u>	<u>(11,644,446)</u>
Total position	<u>\$ 34,244,533</u>	<u>\$ 414,349</u>	<u>\$ 34,658,882</u>

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

**BURLINGTON TOWNSHIP SCHOOL DISTRICT**  
**Statement of Activities**  
**For the Fiscal Year Ended June 30, 2017**

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:						
Instruction:						
Regular	\$ 19,835,384	\$ 187,449	\$ 374,689	\$ (19,273,246)	\$ -	\$ (19,273,246)
Special education	6,857,960		871,998	(5,985,962)		(5,985,962)
Other instruction	2,240,798			(2,240,798)		(2,240,798)
Support Services:						
Tuition	2,721,679			(2,721,679)		(2,721,679)
Student & instruction related services	8,402,913		114,577	(8,288,336)		(8,288,336)
General administrative services	896,214			(896,214)		(896,214)
School administrative services	2,279,415			(2,279,415)		(2,279,415)
Central services	813,450			(813,450)		(813,450)
Admin Info Technology	430,049			(430,049)		(430,049)
Plant operations and maintenance	7,744,288		17,615	(7,726,673)		(7,726,673)
Pupil transportation	2,832,214			(2,832,214)		(2,832,214)
Employee benefits	16,613,737	44,561	6,965,628	(9,603,548)		(9,603,548)
Charter schools	10,005			(10,005)		(10,005)
Interest on long-term debt	745,241		1,007,476	262,235		262,235
Unallocated depreciation and amortization	126,795			(126,795)		(126,795)
Total governmental activities	<u>72,550,142</u>	<u>232,010</u>	<u>9,351,983</u>	<u>(62,966,149)</u>		<u>(62,966,149)</u>
Business-type activities:						
Performing Arts Center	57,789	39,955			(17,834)	(17,834)
Food service	1,471,199	773,464	629,094		(68,641)	(68,641)
Total business-type activities	<u>1,528,988</u>	<u>813,419</u>	<u>629,094</u>		<u>(86,475)</u>	<u>(86,475)</u>
Total primary government	<u>\$ 74,079,130</u>	<u>\$ 1,045,429</u>	<u>\$ 9,981,077</u>	<u>\$ (62,966,149)</u>	<u>\$ (86,475)</u>	<u>\$ (63,052,624)</u>
General revenues:						
Taxes:						
Property taxes, levied for general purposes, net				39,569,797		39,569,797
Taxes levied for debt service				3,466,574		3,466,574
Federal and State aid not restricted				19,857,334		19,857,334
Investment earnings				43,450		43,450
Miscellaneous income				317,578	37,110	354,688
Total general revenues, special items, extraordinary items and transfers				<u>63,254,733</u>	<u>37,110</u>	<u>63,291,843</u>
Change in Net Position				288,584	(49,365)	239,219
Net Position - July 1,				33,955,949	463,714	34,419,663
Net Position - June 30				<u>\$ 34,244,533</u>	<u>\$ 414,349</u>	<u>\$ 34,658,882</u>

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

Fund Financial Statements

**BURLINGTON TOWNSHIP SCHOOL DISTRICT**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2017**

<b>ASSETS</b>	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Assets:					
Cash and cash equivalents	\$ 1,123,869	\$ -	\$ 7,670,207	\$ -	\$ 8,794,076
Receivables, net	1,549,266	114,259	713,805		2,377,330
Interfund receivables, net	1,096,386			49,322	1,145,708
Restricted cash and cash equivalents	1,596,224				1,596,224
Total assets	<u>\$ 5,365,745</u>	<u>\$ 114,259</u>	<u>\$ 8,384,012</u>	<u>\$ 49,322</u>	<u>\$ 13,913,338</u>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Accounts payable	538,589	2,023			540,612
Interfund payables	127,505	99,740	632,337		859,582
Unearned revenues	31,950	12,496			44,446
Other liability					-
Total liabilities	698,044	114,259	632,337	-	1,444,640
Fund Balances:					
Restricted Fund Balance:					
Maintenance reserve	1,419,000				1,419,000
Capital reserve	1,794,043				1,794,043
Assigned Fund Balance:					
Year-end encumbrances	279,304		4,658,200		4,937,504
Designated for subsequent year's expenditures	1,380,434			13,870	1,394,304
Unassigned fund balance	(205,080)		3,093,475	35,452	2,923,847
Total fund balances	4,667,701	-	7,751,675	49,322	12,468,698
Total liabilities and fund balances	<u>\$ 5,365,745</u>	<u>\$ 114,259</u>	<u>\$ 8,384,012</u>	<u>\$ 49,322</u>	

Amounts reported for governmental activities in the statement of net position (A-1) are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$99,576,657 and the accumulated depreciation is \$38,264,182. 61,312,475

Accrued interest is not due and payable in the current period and therefore is not reported as a liability in the funds. (482,700)

Accounts payable related to the April 1, 2018 required PERS contribution that is not to be liquidated with current financial resources. (331,074)

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

Deferred Outflows of resources from Pensions	3,126,717	
Net Pension Liability	(10,594,596)	
Deferred Inflows of resources from Pensions	(1,647,300)	(9,115,179)

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

Bonds Payable	(28,004,769)	
Compensated Absences	(1,602,918)	(29,607,687)

Net position of governmental activities \$ 34,244,533

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

**BURLINGTON TOWNSHIP SCHOOL DISTRICT**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**for the Fiscal Year Ended June 30, 2017**

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>REVENUES:</b>					
Local sources:					
Local tax levy	\$ 39,569,797	\$ -	\$ -	\$ 3,466,574	\$ 43,036,371
Tuition charges	187,449				187,449
Transportation fees	44,561				44,561
Interest earned	7,998		35,452		43,450
Miscellaneous	317,578				317,578
Total revenues-local sources	40,127,383	-	35,452	3,466,574	43,629,409
Local sources		21,582			21,582
State sources	26,725,719	12,260		1,007,476	27,745,455
Federal sources	97,243	1,345,037			1,442,280
Total revenues	66,950,345	1,378,879	35,452	4,474,050	72,838,726
<b>EXPENDITURES:</b>					
Current expense:					
Regular instruction	17,627,248	374,689			18,001,937
Special education instruction	5,985,962	871,998			6,857,960
Other instruction	2,240,798				2,240,798
Support services and undistributed costs:					
Tuition	2,721,679				2,721,679
Student & instruction related services	8,288,336	114,577			8,402,913
General administrative services	896,214				896,214
School administrative services	2,025,825				2,025,825
Central services	813,450				813,450
Admin Info Technology	430,049				430,049
Plant operations and maintenance	5,709,738				5,709,738
Pupil transportation	2,832,214				2,832,214
Employee benefits	16,049,868				16,049,868
Charter Schools	10,005				10,005
Capital outlay	1,053,117	17,615	2,375,607		3,446,339
Debt service:					
Principal				3,595,000	3,595,000
Interest and other charges				879,050	879,050
Total expenditures	66,684,503	1,378,879	2,375,607	4,474,050	74,913,039
Excess (deficiency) of revenues over (under) expenditures	265,842	-	(2,340,155)	-	(2,074,313)
Other Financing Sources (Uses):					
Proceeds of Serial Bonds			10,114,000		10,114,000
Transfers in				35,452	35,452
Transfers out			(35,452)		(35,452)
Total other financing sources (uses)	-	-	10,078,548	35,452	10,114,000
Net change in fund balance	265,842	-	7,738,393	35,452	8,039,687
Fund balances, July 1	4,401,859		13,282	13,870	4,429,011
Fund balances, June 30	\$ 4,667,701	\$ -	\$ 7,751,675	\$ 49,322	\$ 12,468,698

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

**BURLINGTON TOWNSHIP SCHOOL DISTRICT**  
**Reconciliation of the Statement of Revenues, Expenditures**  
**and Changes in Fund Balances of Governmental Funds**  
**to the Statement of Activities**  
**for the Fiscal Year Ended June 30, 2017**

Total net change in fund balances - governmental funds (from B-2) \$ 8,039,687

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

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

Depreciation expense	\$ (2,535,896)	
Capital outlay	<u>1,792,173</u>	(743,723)

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is reported in the statement of activities. 3,797,565

The proceeds of a bond issue is an other financing source of revenue in the governmental funds but is not reported in the statement of activities. (10,114,000)

In the statement of activities, interest on long-term debt is accrued, regardless of when due. In the governmental funds, interest is reported when due. The accrued interest is an addition in the reconciliation. (68,756)

Net differences between pension system contributions recognized in the fund statement of revenues, expenditures and changes in fund balances and the statement of activities. (563,869)

In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+). (58,320)

Change in net position of governmental activities \$ 288,584



**BURLINGTON TOWNSHIP SCHOOL DISTRICT**  
**Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2017**

	<b>Business-type Activities</b>			<b>Governmental</b>
	<b>Food Service Program</b>	<b>Enterprise Funds Performing Arts Center</b>	<b>Total Enterprise</b>	<b>Activities - Internal Service Technology Services</b>
<b>ASSETS:</b>				
Current assets:				
Cash and cash equivalents	\$ 141,720	\$ 86,501	\$ 228,221	\$ -
Accounts receivable	161,471	1,000	162,471	36,682
Interfund receivable	64,496	3,130	67,626	
Inventories	33,215		33,215	
Total current assets	<u>400,902</u>	<u>90,631</u>	<u>491,533</u>	<u>36,682</u>
Noncurrent assets:				
Building and Building Improvements	376,275		376,275	
Equipment	492,200		492,200	
	868,475		868,475	
Less accumulated depreciation	<u>(546,631)</u>		<u>(546,631)</u>	
Total noncurrent assets	<u>321,844</u>		<u>321,844</u>	
Total assets	<u>\$ 722,746</u>	<u>\$ 90,631</u>	<u>\$ 813,377</u>	<u>\$ 36,682</u>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Unearned Revenue	27,059		27,059	
Interfund payable	371,969		371,969	36,682
Total liabilities	<u>399,028</u>		<u>399,028</u>	<u>36,682</u>
<b>NET POSITION</b>				
Net Investment in Capital Assets	321,844		321,844	
Unrestricted	1,874	90,631	92,505	
Total net position	<u>\$ 323,718</u>	<u>\$ 90,631</u>	<u>\$ 414,349</u>	<u>\$ -</u>

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

**BURLINGTON TOWNSHIP SCHOOL DISTRICT**  
**Statement of Revenues, Expenses and Changes in Net Position**  
**Proprietary Funds**  
**for the Fiscal Year Ended June 30, 2017**

	Business-type Activities Enterprise Funds			Governmental Activities - Internal Service
	Food Service Program	Performing Arts Center	Total Enterprise	Technology Services
<b>Operating revenues:</b>				
Charges for services:				
Daily sales-reimbursable programs	\$ 532,757	\$ -	\$ 532,757	\$ -
Daily sales-non-reimbursable programs	214,658		214,658	
Special functions	26,049		26,049	
Charges for technology services				768,091
Rentals		39,955	39,955	
Total operating revenue	<u>773,464</u>	<u>39,955</u>	<u>813,419</u>	<u>768,091</u>
<b>Operating expenses:</b>				
Salaries and benefits	656,339	24,602	680,941	
Direct expenses	4,211		4,211	
Repair and maintenance				
Supplies and materials	43,006	23,122	66,128	
Depreciation	48,073		48,073	
Management fee	26,007		26,007	
Cost of sales - reimbursable programs	573,176		573,176	
Cost of sales - nonreimbursable programs	115,110		115,110	
Other costs	5,277	10,065	15,342	768,091
Total operating expenses	<u>1,471,199</u>	<u>57,789</u>	<u>1,528,988</u>	<u>768,091</u>
Operating income (loss)	<u>(697,735)</u>	<u>(17,834)</u>	<u>(715,569)</u>	
<b>Nonoperating revenues (expenses):</b>				
State sources:				
State school lunch program	14,387		14,387	
Federal sources:				
National school lunch program	448,866		448,866	
National school breakfast program	86,139		86,139	
U.S.D.A. commodities	79,702		79,702	
Local sources:				
Contributed Capital	35,800		35,800	
Interest revenue	916	394	1,310	
Total nonoperating revenues (expenses)	<u>665,810</u>	<u>394</u>	<u>666,204</u>	
Change in net position	(31,925)	(17,440)	(49,365)	
Total net position - July 1	<u>355,643</u>	<u>108,071</u>	<u>463,714</u>	
Total net position - June 30	<u>\$ 323,718</u>	<u>\$ 90,631</u>	<u>\$ 414,349</u>	<u>\$ -</u>

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

**BURLINGTON TOWNSHIP SCHOOL DISTRICT**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**for the Fiscal Year Ended June 30, 2017**

	Business-type Activities Enterprise Funds			Governmental Activities - Internal Service
	Food Service Program	Performing Arts Center	Total Enterprise	Technology Services
<b>Cash flows from operating activities:</b>				
Receipts from customers	\$ 954,193	\$ 40,860	\$ 995,053	\$ 768,091
Payments to employees	(746,908)	(24,602)	(771,510)	
Payments to suppliers	(743,422)	(33,248)	(776,670)	(768,091)
Net cash used for operating activities	<u>(536,137)</u>	<u>(16,990)</u>	<u>(553,127)</u>	
<b>Cash flows from noncapital financing activities:</b>				
State sources	14,283		14,283	
Federal sources	530,342		530,342	
Net cash provided by non-capital financing activities	<u>544,625</u>		<u>544,625</u>	
<b>Cash flows from capital activities:</b>				
Purchases of fixed assets				
<b>Cash flows from investing activities:</b>				
Interest and dividends	916	394	1,310	
Net cash provided by investing activities	<u>916</u>	<u>394</u>	<u>1,310</u>	
Net increase in cash and cash equivalents	9,404	(16,596)	(7,192)	
Balances - July 1	<u>132,316</u>	<u>103,097</u>	<u>235,413</u>	
Balances - June 30	<u>\$ 141,720</u>	<u>\$ 86,501</u>	<u>\$ 228,221</u>	<u>\$ -</u>
Reconciliation of operating loss to net cash provided (used) by operating activities:				
Operating income (loss)	\$ (697,735)	\$ (17,834)	\$ (715,569)	\$ -
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation	48,073		48,073	
Federal commodities	79,702		79,702	
(Increase) decrease in inventories	4,622		4,622	
(Increase) decrease in accounts receivable	30,088	905	30,993	76,560
(Increase) decrease in interfund receivable		(1)	(1)	
Increase (decrease) in accounts payable		(60)	(60)	
Increase (decrease) in unearned revenue	(887)		(887)	
Increase (decrease) in interfund payable				(76,560)
Total adjustments	<u>161,598</u>	<u>844</u>	<u>162,442</u>	
Net cash provided by (used for) operating activities	<u>\$ (536,137)</u>	<u>\$ (16,990)</u>	<u>\$ (553,127)</u>	<u>\$ -</u>

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

**BURLINGTON TOWNSHIP SCHOOL DISTRICT**  
**Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**June 30, 2017**

	<u>Unemployment Compensation Insurance Trust</u>	<u>Agency Funds</u>
<b>ASSETS:</b>		
Cash and cash equivalents	\$ 629,133	\$ 825,292
Interfund receivable		59,878
	<u>\$ 629,133</u>	<u>\$ 885,170</u>
<b>Total assets</b>		
 <b>LIABILITIES:</b>		
Accounts payable	\$ 227	\$ -
Payroll deductions and withholdings		289,805
Other liabilities		44,025
Interfund payable		4,979
Due to student groups		546,361
	<u>\$ 227</u>	<u>\$ 885,170</u>
<b>Total liabilities</b>		
 <b>NET POSITION:</b>		
Held in trust for unemployment claims and other purposes	<u>\$ 628,906</u>	

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

**BURLINGTON TOWNSHIP SCHOOL DISTRICT**  
**Statement of Changes in Fiduciary Net Position**  
**Fiduciary Funds**  
**For the Fiscal Year Ended June 30, 2017**

	Unemployment Compensation Insurance Fund
ADDITIONS:	
Contributions:	
Employee contributions	\$ 48,993
Total Contributions	48,993
Investment earnings:	
Interest	2,768
Net investment earnings	2,768
Total additions	51,761
DEDUCTIONS:	
Unemployment claims	31,219
Total deductions	31,219
Change in net position	20,542
Net position - July 1	608,364
Net position - June 30	\$ 628,906

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

**Burlington Township School District**  
**Notes to Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2017**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Township of Burlington School District (School District) is a Type II district located in the County of Burlington, State of New Jersey. As a Type II district, it functions independently through a Board of Education. The Board is comprised of nine members elected to three-year terms. These terms are staggered so that three member's terms expire each year. The purpose of the School District is to provide educational services for resident students in grades K through 12. The Burlington School District has an approximate enrollment at June 30, 2017 of 3,878 students.

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

**Component Units** – GASB Statement No. 14, *The Financial Reporting Entity* and GASB Statement No. 39, *Determining Whether Certain Organizations are Component Unit*, provide guidance that all entities associated with a primary government are potential component units and should be evaluated for inclusion in the financial reporting entity. A primary government is financially accountable not only for the organizations that make up its legal entity, but also for legally separate organizations that meet the criteria established by GASB Statements No. 14 and No. 39. In addition, GASB Statement No. 61, provides additional guidance for organizations that do not meet the financial accountability criteria for inclusion as component units but that nevertheless should be included because the primary government's management determines that it would be misleading to exclude them. GASB Statement No. 80, *Blending Requirements for Certain Component Units* - an Amendment of GASB Statement No. 14 amends the blending requirements for the financial statement presentation of component units of all state and local governments. The additional criteria requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. There were no additional entities required to be included in the reporting entity under the criteria as described above. Furthermore, the School District is not includable in any other reporting entity on the basis of such criteria.

**Basis of Presentation**

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

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

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

**Burlington Township School District  
Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2017**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Government-wide Statements (Continued)** -The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the School District.

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

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

**General Fund** - The general fund is the general operating fund of the School District and is used to account for all financial resources except those required to be accounted for in another fund. Included are certain expenditures for vehicles and movable instructional or non-instructional equipment classified in the capital outlay sub-fund.

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

Resources for budgeted capital outlay purposes are normally derived from State of New Jersey aid, district taxes and appropriated fund balance. Expenditures are those which result in the acquisition of or additions to capital assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment.

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

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

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

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

**Burlington Township School District  
Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2017**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Proprietary Funds (Continued)**

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

The School District’s enterprise funds are:

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

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

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

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

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

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

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

**Measurement Focus**

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

**Fund Financial Statements** – All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e. revenues and other financing sources) and uses (i.e. expenditures and other financing uses) of current financial resources.



**Burlington Township School District  
Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2017**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Measurement Focus (Continued)**

**Fund Financial Statements (Continued)** - This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements, therefore, include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

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

**Basis of Accounting**

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

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

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

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

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

**Burlington Township School District  
Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2017**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Budgets/Budgetary Control** - Annual appropriated budgets are prepared in the spring of each fiscal year for the general, special revenue, and debt service funds. The budgets are submitted to the county office for their approval. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:23A-16.2(f)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year in accordance with N.J.A.C. 6A:23A-13.3.

Formal budgetary integration into the accounting system is employed as a management control device during the fiscal year. For governmental funds there are no substantial differences between the budgetary basis of accounting and accounting principles generally accepted in the United States of America with the exception of the legally mandated revenue recognition of the one or more June state aid payments for budgetary purposes only and the special revenue fund. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

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

The budget, as detailed on Exhibit C-1, Exhibit C-2 and Exhibit I-3, includes all amendments to the adopted budget, if any.

Exhibit C-3 presents a reconciliation of the general fund revenues and special revenue fund revenues and expenditures from the budgetary basis of accounting as presented in the general fund budgetary comparison schedule and the special revenue fund budgetary comparison schedule to the GAAP basis of accounting as presented in the statement of revenues, expenditures and changes in fund balances – governmental funds. Note that the School District does not report encumbrances outstanding at year end as expenditures in the general fund since the general fund budget follows modified accrual basis with the exception of the revenue recognition policy for the one or more June state aid payments.

**Encumbrances** - Under encumbrance accounting purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Encumbrances are a component of fund balance at fiscal year end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services. Open encumbrances in governmental funds, other than the special revenue fund, which have not been previously restricted, committed, or assigned, should be included within committed or assigned fund balance, as appropriate.

Open encumbrances in the special revenue fund, however, for which the School District has received advances of grant awards, are reflected in the balance sheet as deferred revenues at fiscal year end.

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

**Cash, Cash Equivalents and Investments** - Cash and cash equivalents, for all funds, include petty cash, change funds, cash in banks and all highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest. Such is the definition of cash and cash equivalents used in the statement of cash flows for the proprietary funds. U.S. Treasury and agency obligations and certificates of deposit with maturities of one year or less when purchased are stated at cost. All other investments are stated at fair value.

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

**Burlington Township School District  
Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2017**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Cash, Cash Equivalents and Investments (Continued)** - N.J.S.A. 17:9-41et seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Governmental Unit Deposit Protection Act (GUDPA), a multiple financial institution collateral pool, which was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. Public depositories include State or federally chartered banks, savings banks or associations located in or having a branch office in the State of New Jersey, the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of Governmental Units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the governmental units.

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

**Tuition Payable** - Tuition charges for the fiscal years ended June 30, 2017 and 2016 were based on rates established by the receiving school district. These rates are subject to change when the actual costs have been determined.

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

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

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

**Prepaid Expenses** - Prepaid expenses recorded on the government-wide financial statements and in the proprietary fund types represent payments made to vendors for services that will benefit periods beyond June 30, 2017.

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

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

**Short-Term Interfund Receivables / Payables** - Short-term interfund receivables / payables represent amounts that are owed, other than charges for goods or services rendered to / from a particular fund in the School District and that are due within one year. These amounts are eliminated in the governmental and business-type columns of the statement of net position, except for the net residual amounts due between governmental and business-type activities, which are presented as internal balances.

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

**Burlington Township School District  
Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2017**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

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

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

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

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

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

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

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

**Accrued Liabilities and Long-Term Obligations** - All payables, accrued liabilities, and long-term obligations are reported on the government-wide financial statements, and all payables, accrued liabilities and long-term obligations payable from proprietary funds are reported on the proprietary fund financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. However, claims and judgments, compensated absences, special termination benefits and contractually required pension contributions that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are normally expected to be paid with expendable available financial resources. Bonds are recognized as a liability on the fund financial statements when due.

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

**Burlington Township School District**  
**Notes to Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2017**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Net investment in capital assets** - This component represents capital assets, net of accumulated depreciation, net of outstanding balances of borrowings used for the acquisition, construction, or improvement of those assets.

**Restricted** – Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors or law or regulations of other governments.

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

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

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

**Nonspendable** – The nonspendable fund balance classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. The "not in spendable form" criteria includes items that are not expected to be converted to cash, such as inventories and prepaid amounts. The School District had no nonspendable fund balance at June 30, 2017.

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

**Committed** – This fund balance classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the School District's highest level of decision making authority, which for the School District is the Board of Education. Once committed, amounts cannot be used for any other purpose unless the Board of Education removes, or changes, the specified use by taking the same type of action imposing the commitment.

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

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

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

**Burlington Township School District  
Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2017**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

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

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

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

**Recently Issued Accounting Pronouncements** - In June 2015, the GASB issued Statement 75, *Accounting and Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. This Statement replaces the requirements of Statements No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*, for OPEB. Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, establishes new accounting and financial reporting requirements for OPEB plans. The scope of this Statement addresses accounting and financial reporting for OPEB that is provided to the employees of state and local governmental employers. This Statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. For defined benefit OPEB, this Statement identifies the methods and assumptions that are required to be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. Note disclosure and required supplementary information requirements about defined benefit OPEB also are addressed. This Statement is effective for financial statements for periods beginning after June 30, 2017. Management is currently evaluating the impact of the adoption of this Statement on the School District's financial statements.

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

**Burlington Township School District  
Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2017**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Recently Issued Accounting Pronouncements (Continued)** In November 2016, the GASB issued Statement 83, *Certain Asset Retirement Obligations*. This Statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018. Management is currently evaluating the impact of the adoption of this Statement on the School District's financial statements.

In January 2017, the GASB issued Statement 84, *Fiduciary Activities*. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. Management is currently evaluating the impact of the adoption of this Statement on the School District's financial statements.

In March 2017, the GASB issued Statement 85, *Omnibus 2017*. The objective of this Statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits [OPEB]). The requirements of this Statement are effective for reporting periods beginning after June 15, 2017. Management is currently evaluating the impact of the adoption of this Statement on the School District's financial statements.

In May 2017, the GASB issued Statement 86, *Certain Debt Extinguishment Issues*. The primary objective of this Statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources—resources other than the proceeds of refunding debt—are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance. The requirements of this Statement are effective for reporting periods beginning after June 15, 2017. Management is currently evaluating the impact of the adoption of this Statement on the School District's financial statements.

In June 2017, the GASB issued Statement 87, *Leases*. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. Management is currently evaluating the impact of the adoption of this Statement on the School District's financial statements.

**2. CASH AND CASH EQUIVALENTS**

**Custodial Credit Risk Related to Deposits** – Custodial credit risk refers to the risk that, in the event of a bank failure, the School District's deposits might not be recovered. Although the School District does not have a formal policy regarding custodial credit risk, N.J.S.A. 17:9-41et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Unit (GUDPA). Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the School district in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings of funds that pass to the School District relative to the happening of a future condition. Such funds are classified as uninsured and uncollateralized. Of the School District's amount on deposit of \$15,740,355 as of June 30, 2017, \$252,164 was insured under FDIC and the remaining balance of \$15,488,191 was collateralized under GUDPA.

**Burlington Township School District  
Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2017**

**2. CASH AND CASH EQUIVALENTS (Continued)**

During the fiscal year, the School district participated in the New Jersey Cash Management Fund. This Fund is governed by regulations of the State Investment Council, who prescribe standards designed to insure the quality of investments in order to minimize risk to the Funds participants. Deposits with the New Jersey Cash Management Fund are not subject to custodial risk. Accordingly, the School District's deposits with the New Jersey Cash Management Fund of \$103,544 were uninsured and uncollateralized.

**3. CAPITAL RESERVE ACCOUNT**

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

Funds placed in the capital reserve account are restricted to capital projects in the School District's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the New Jersey Department of Education, a school district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at fiscal year-end (June 1 to June 30) of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A school district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6:23A-14.1(g), the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

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

Balance – July 1, 2016		\$ 2,016,726
Increased by:		
Interest earned	\$ 7,998	
Unspent balance	4,113	
Board resolution	193,705	205,816
		2,222,542
Decreased by:		
Transfer to General Fund Budget		428,499
 Balance – June 30, 2017		 \$ 1,794,043

The June 30, 2017 capital reserve balance does not exceed the LRFP balance of local support costs of uncompleted capital projects.

**4. ACCOUNTS RECEIVABLE**

Accounts receivable at June 30, 2017 consisted of accounts (fees) and intergovernmental grants. All intergovernmental receivables are considered collectible in full due to the stable condition of State programs and the current fiscal year guarantee of federal funds.



**Burlington Township School District  
Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2017**

**4. ACCOUNTS RECEIVABLE (Continued)**

Accounts receivable at June 30, 2017 for the School District's individual major and fiduciary funds, in the aggregate, are as follows:

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Proprietary Funds</u>	<u>Internal Service Fund</u>	<u>Total</u>
State Aid	\$ 1,194,422	\$ -	\$ 713,805	\$ 803	\$ -	\$ 1,909,030
Federal Aid		114,259		31,956		146,215
Other	<u>354,845</u>			<u>129,712</u>	<u>36,682</u>	<u>521,239</u>
	<u>\$ 1,549,267</u>	<u>\$ 114,259</u>	<u>\$ 713,805</u>	<u>\$ 162,471</u>	<u>\$ 36,682</u>	<u>\$ 2,576,484</u>

**5. CAPITAL ASSETS**

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

	<u>Balance June 30, 2016</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance June 30, 2017</u>
<b>Governmental Activities:</b>				
<i>Capital Assets, not being depreciated:</i>				
Land	\$ 1,621,644	\$ -	\$ -	\$ 1,621,644
Construction in progress				
Total capital assets, not being Depreciated	<u>1,621,644</u>			<u>1,621,644</u>
<i>Capital Assets, being depreciated:</i>				
Site Improvements	1,005,639	587,877		1,593,516
Building and Building Improvements	85,831,257	977,287		86,808,544
Equipment	9,325,944	227,009		9,552,953
Totals at historical cost	<u>96,162,840</u>	<u>1,792,173</u>		<u>97,955,013</u>
<i>Less Accumulated Depreciation:</i>				
Site Improvements	(805,559)	(40,079)		(845,638)
Building and Building Improvements	(28,661,943)	(1,773,601)		(30,435,544)
Equipment	(6,260,784)	(722,216)		(6,983,000)
Totals accumulated depreciation	<u>(35,728,286)</u>	<u>(2,535,896)</u>		<u>(38,264,182)</u>
Total Capital Assets, being depreciated, net	<u>60,434,554</u>	<u>(743,723)</u>		<u>59,690,831</u>
Governmental Activities Capital Assets, Net	<u>\$ 62,056,198</u>	<u>\$ (743,723)</u>	<u>\$ -</u>	<u>\$ 61,312,475</u>

**Burlington Township School District  
Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2017**

**5. CAPITAL ASSETS**

	<u>Balance June 30, 2016</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance June 30, 2017</u>
<b><u>Business-Type Activities:</u></b>				
<i>Capital Assets, being depreciated:</i>				
Building and Building Improvements	\$ 376,275	\$ -	\$ -	\$ 376,275
Equipment	456,400	35,800		492,200
Less accumulated depreciation	<u>(498,558)</u>	<u>(48,073)</u>		<u>(546,631)</u>
Total Capital Assets, being depreciated, net	<u>334,117</u>	<u>(12,273)</u>		<u>321,844</u>
Business-Type Activities Capital Assets, Net	<u>\$ 334,117</u>	<u>\$ (12,273)</u>	<u>\$ -</u>	<u>\$ 321,844</u>

Depreciation expense in the amount of \$2,535,896 was charged to governmental functions as follows:

<u>Function</u>	<u>Amount</u>
Regular Instruction	1,775,127
Administration	253,590
Plant Operations and Maintenance	380,384
Unallocated	<u>126,795</u>
Total depreciation expense	<u>\$ 2,535,896</u>

**6. INVENTORY**

Inventory in the Food Service Fund at June 30, 2017 consisted of the following:

Food	\$ 24,419
Supplies	<u>8,796</u>
	<u>\$ 33,215</u>

**7. LONG-TERM OBLIGATIONS**

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

	<u>Balance June 30, 2016</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance June 30, 2017</u>	<u>Due Within One Year</u>
Bonds Payable	\$ 21,030,000	\$ 10,114,000	\$ 3,595,000	\$ 27,549,000	\$ 3,665,000
Unamortized Premiums	658,334		202,565	455,769	202,565
Total Bonds Payable	<u>21,688,334</u>	<u>10,114,000</u>	<u>3,797,565</u>	<u>28,004,769</u>	<u>3,867,565</u>
Compensated Absences Payable	1,544,598	58,320		1,602,918	16,600
Net Pension Liability	<u>8,069,778</u>	<u>2,524,818</u>		<u>10,594,596</u>	
Total Long-Term Obligations	<u>\$ 31,302,710</u>	<u>\$ 12,697,138</u>	<u>\$ 3,797,565</u>	<u>\$ 40,202,283</u>	<u>\$ 3,884,165</u>

**Burlington Township School District  
Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2017**

**7. LONG-TERM OBLIGATIONS (Continued)**

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

Refunding Bonds - Authorized and issued, \$11,260,000, dated April 1, 2012, for refunding a portion of the 2004 bonds issued for the acquisition of land, construction of a new elementary school, expansion of Fountain Woods Elementary School and High School. The final maturity is due July 15, 2024 with interest rates varying from 3.75% to 5.00%

Refunding Bonds - Authorized and issued, \$6,175,000, dated October 3, 2013, for refunding the Refunding School Bonds of the district dated September 1, 2004. The final maturity is due January 15, 2020 with interest rates varying from 2.00% to 5.00%

School Bonds - Authorized and issued, \$10,114,000, dated July 19, 2016, for various improvements and renovations, to acquire necessary furnishings and equipment, and site work of the district. The final maturity is due July 15, 2026 with interest rates varying from 1.00% to 2.00%

**Debt Service Requirements**

Principal and interest due on bonds outstanding is as follows:

<u>Year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 3,665,000	\$ 994,297	\$ 4,659,297
2019	4,095,000	756,230	4,851,230
2020	4,085,000	593,530	4,678,530
2021	2,585,000	450,055	3,035,055
2022	2,630,000	380,430	3,010,430
2023-2027	<u>10,489,000</u>	<u>594,290</u>	<u>11,083,290</u>
	<u>\$ 27,549,000</u>	<u>\$ 3,768,832</u>	<u>\$ 31,317,832</u>

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

**Compensated Absences**

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

**8. OPERATING LEASES**

The District has various commitments for office equipment under operating leases which fully expire in 2021. Total operating lease payments made during the year ended June 30, 2017 and 2016 were \$99,663 and \$86,922, respectively. Future minimum lease payments are as follows:

<u>Year Ended</u>	<u>Amount</u>
June 30, 2018	\$ 124,052
June 30, 2019	110,856
June 30, 2020	52,488
June 30, 2021	<u>33,816</u>
Total future minimum lease payments	<u>\$ 321,212</u>

**Burlington Township School District  
Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2017**

**9. PENSION PLANS**

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

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

*Plan Description* - The Teachers' Pension and Annuity Fund is a cost-sharing multiple-employer defined benefit pension plan, with a special funding situation, which was established on January 1, 1955, under the provisions of N.J.S.A. 18A:66. The State of New Jersey (the "State") is responsible to fund 100% of the employer contributions, excluding any local employer early retirement incentive (ERI) contributions. The TPAF's designated purpose is to provide retirement, death and disability, and medical benefits to qualified members. Membership in the TPAF is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, who have titles that are unclassified, professional and certified. The TPAF's Board of Trustees is primarily responsible for the administration of the TPAF.

*Vesting and Benefit Provisions* – 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 medical benefits, which vest after 25 years of service or under the disability provisions of TPAF. Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

The following represents the membership tiers for TPAF:

Tier	Definition
1	Members who were enrolled prior to July 1, 2007
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members who were eligible to enroll on or after November 2, 2008 and prior to May 21, 2010
4	Members who were eligible to enroll on or after May 21, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits of 1/55<sup>th</sup> 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 1/60<sup>th</sup> 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 tier 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 their respective tier.

*Contributions* - The contribution requirements of plan members are determined 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, effective October 1, 2011, the active member contribution rate was increased to 6.5%. An additional 1.0% increase is being phased-in over seven years beginning on July 1, 2012. The member contribution rate was 7.20% in State fiscal year 2017. The phase-in of the additional incremental member contribution rate takes place in July of each subsequent State fiscal year. 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.

**Burlington Township School District  
Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2017**

**9. PENSION PLANS (Continued)**

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

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.

Under current statute, all employer contributions are made by the State of New Jersey on-behalf of the School District and all other related non-contributing employers. No normal or accrued liability contribution by the School District has been required over the several preceding fiscal years. These on-behalf contributions by the State of New Jersey are considered a special funding situation, under the definition of GASB 68, *Accounting and Financial Reporting for Pensions*.

The School District was not required to make any contributions to the pension plan during the fiscal year ended June 30, 2017 because of the 100.00% special funding situation with the State of New Jersey.

Based on the most recent TPAF measurement date of June 30, 2016, the State's contractually required contribution, on-behalf of the School District, to the pension plan for the fiscal year ended June 30, 2017 was \$1,925,068 and was paid by April 1, 2017. School District employee contributions to the pension plan during the fiscal year ended June 30, 2017 were \$1,892,534

*Pension Liabilities, Pension Expense, and Deferred Outflow of Resources and Deferred Inflows of Resources Related to Pensions* - For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the 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.

At June 30, 2017, the School District was not required to report a liability for its proportionate share of the net pension liability because of a 100% special funding situation by the State of New Jersey.

For the year ended June 30, 2017, the School District recognized pension expense of \$14,287,398 and revenue of \$14,287,398 for support provided by the State. Although the School District does not report net pension liability or deferred outflows or inflows related to the TPAF, the following schedule illustrates the collective net pension liability and deferred items and the State's portion of the net pension liability associated with the School District.

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

	<u>06/30/16</u>	<u>06/30/15</u>
Collective deferred outflows of resources	\$ 17,414,701,002	\$ 7,521,378,257
Collective deferred inflows of resources	134,532,594	554,399,005
Collective net pension liability (Non-Employer – State of New Jersey)	79,028,907,033	63,577,864,440
State's portion of the net pension liability that was associated with the School District	190,153,606	154,941,220
State's portion of the net pension liability that was associated with the School District as a percentage of the collective net pension liability	.2417216061%	.2451435951%

**Burlington Township School District  
Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2017**

**9. PENSION PLANS (Continued)**

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

*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: 2.5%  
Salary Increases: 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 a 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:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	05.00%	0.39%
Government Bonds	01.50%	1.28%
Credit Bonds	13.00%	2.76%
Mortgages	02.00%	2.38%
Inflation-Indexed Bonds	01.50%	1.41%
High Yield Bonds	02.00%	4.70%
Equity Market	26.00%	5.14%
Foreign-Developed Equity	13.25%	5.91%
Emerging Markets Equity	06.50%	8.16%
Private Real Estate Property	05.25%	3.64%
Timber	01.00%	3.86%
Farmland	01.00%	4.39%
Private Equity	09.00%	8.97%
Commodities	00.50%	2.87%
Hedge Funds – MultiStrategy	05.00%	3.70%
Hedge Funds – Equity Hedge	03.75%	4.72%
Hedge Funds - Distressed	03.75%	3.49%
	<u>100.00%</u>	

*Discount rate.* The discount rate used to measure the State's total pension liability was 3.22% as of June 30, 2016. This single blended discount rate was based on the 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 municipal bonds with an average rating of AA/Aa or higher.

**Burlington Township School District  
Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2017**

**9. PENSION PLANS (Continued)**

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

The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers (State of New Jersey) will be made based on the 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. As such, the proportionate share of the net pension liability as of June 30, 2016, the pension plans measurement date, attributable to the School District is \$0.00, and the State of New Jersey's proportionate share of the net pension liability, attributable to the School District, using a discount rate of 4.13%, 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 (3.13%) or 1 percentage point higher (5.13%) that the current rate:

	<u>1% Decrease (3.13%)</u>	<u>Current Discount Rate (4.13%)</u>	<u>1% Increase (5.13%)</u>
District's proportionate share of the net pension liability	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability associated with the School District	<u>227,085,900</u>	<u>190,153,606</u>	<u>159,993,622</u>
	<u>\$227,085,900</u>	<u>\$ 190,153,606</u>	<u>\$ 159,993,622</u>

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

**Public Employees' Retirement System (PERS)**

*Plan Description* - The Public Employees' Retirement System is a cost-sharing multiple-employer defined benefit pension plan which was established on January 1, 1955, under the provisions of N.J.S.A. 43:15A. The PERS designated purpose is to provide retirement, death and disability, and medical benefits to certain qualified members. Membership in the PERS is mandatory for substantially all full-time employees of the School District, provided the employee is not required to be a member of another state-administered retirement system or other state pension fund or local jurisdiction's pension fund. The PERS's Board of Trustees is primarily responsible for the administration of the PERS.

*Vesting and Benefit Provisions* - The vesting and benefit provisions are set by N.J.S.A. 43:15A and 43:3B. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service, except medical benefits, which vest after 25 years of service or under the disability provisions of PERS.

**Burlington Township School District  
Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2017**

**9. PENSION PLANS (Continued)**

**Public Employees' Retirement System (PERS) (Continued)**

The following represents the membership tiers for PERS:

Tier	Definition
1	Members who were enrolled prior to July 1, 2007
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members who were eligible to enroll on or after November 2, 2008 and prior to May 21, 2010
4	Members who were eligible to enroll on or after May 21, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits of 1/55<sup>th</sup> 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 1/60<sup>th</sup> 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 tier 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 their respective tier.

*Contributions* - The contribution requirements of plan members are determined by N.J.S.A 43:15A and requires contributions by active members and contributing employers. Members contribute at a uniform rate. Pursuant to the provisions of Chapter 78, P.L. 2011, effective October 1, 2011, the active member contribution rate was increased to 6.5%.

An additional 1.0% increase is being phased-in over seven years beginning on July 1, 2012. The member contribution rate was 7.20% in State fiscal year 2017. The phase-in of the additional incremental member contribution rate takes place in July of each subsequent State fiscal year. The rate for members who are eligible for the Prosecutors Part of PERS (Chapter 336, P.L. 2001) increased from 8.5% of base salary to 10%. Employers' contribution amounts are based on an actuarially determined rate. The School District's contribution amounts are based on an actuarially determined rate which included the normal cost and unfunded accrued liability.

The School District's contractually required contribution rate for the fiscal year ended June 30, 2017 was 13.80% of the School District's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, including an additional amount to finance any unfunded accrued liability.

Based on the most recent PERS measurement date of June 30, 2016, the School Districts contractually required contribution to the pension plan for the fiscal year ended June 30, 2017 was \$317,792 and was paid by April 1, 2017. School District employee contributions to the pension plan during the fiscal year ended June 30, 2017 were \$174,894.

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

Fiscal Year	Normal Contributions	Accrued Liability	Non Contributory Life	Retroactive	Total Liability Paid by District
2017	\$ 49,709	\$ 252,976	\$ 15,107		\$ 317,792
2016	52,323	241,033	15,707		309,063
2015	63,945	295,794	24,365	737	384,841



**Burlington Township School District  
Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2017**

**9. PENSION PLANS (Continued)**

**Public Employees' Retirement System (PERS) (Continued)**

*Pension Liabilities, Pension Expense, and Deferred Outflow of Resources and Deferred Inflows of Resources Related to Pensions* – For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the PERS and additions to/deductions from PERS fiduciary net position have been determined on the same basis as they are reported by PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

At June 30, 2017, the School District reported a liability of \$10,594,596 for its proportionate share of the net pension liability. 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. The School District's proportion of the of the net pension liability was based on a projection of the School District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employees, actuarially determined.

For the year ended June 30, 2017, the School District recognized pension expense of \$563,850. At June 30, 2017, the School District reported a liability of \$10,594,596 for its proportionate share of the PERS net pension liability and deferred outflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 197,027	\$ -
Changes of assumptions	2,194,634	
Net Difference between projected and actual earnings on pension plan investments	403,982	
Changes in proportion		1,647,300
District contributions subsequent to the measurement date	331,074	
<b>Total</b>	<b>\$ 3,126,717</b>	<b>\$1,647,300</b>

\$331,074 reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2017, the plan measurement date is June 30, 2016) will be recognized as a reduction of the net liability in the year ended June 30, 2017.

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

For the year ended:	Net Deferred Outflows of Resources
2017	\$ 18,850
2018	18,850
2019	261,865
2020	549,203
2021	299,575
<b>Total</b>	<b>\$ 1,148,343</b>

**Burlington Township School District  
Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2017**

**9. PENSION PLANS (Continued)**

**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 Outflows of Resources</u>	<u>Deferred Inflows 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
Changes in proportion		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	6.44
June 30, 2015	5.72	5.72
June 30, 2016	5.57	5.57

**Additional Information**

Collective balances at June 30, 2016 and 2015 are as follows:

	<u>6/30/2016</u>	<u>6/30/2015</u>
Collective deferred outflows of resources	\$ 8,685,338,380	\$ 3,578,755,666
Collective deferred inflows of resources	\$ 870,133,595	\$ 993,410,455
Collective net pension liability	\$ 29,617,131,759	\$ 22,447,996,119
District's Proportion	.0357718493%	.0359487690%

*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: 3.08%
- Salary Increases:
  - Through 2025: 1.65-4.15% based on age
  - Thereafter: 2.65-5.15% based on age
- Investment Rate of Return: 7.65%

**Burlington Township School District  
Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2017**

**9. PENSION PLANS (Continued)**

**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 3 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 (set back 1 year for males and females) for service retirements and beneficiaries of former members and a one-year static projection based on mortality improvement Scale AA. In addition, the tables for service retirements and using a generational approach based on the plan actuary's modified MP-2014 projection scale. 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.

*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 PERS's target asset allocation as of June 30, 2016 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	05.00%	00.87%
U.S. Treasuries	01.50%	01.74%
Investment Grade Credit	08.00%	01.79%
Mortgages	02.00%	01.67%
High Yield Bonds	02.00%	04.56%
Inflation Indexed Bonds	01.50%	03.44%
Broad US Equities	26.00%	08.53%
Developed Foreign Equities	13.25%	06.83%
Emerging Market Equities	06.50%	09.95%
Private Equity	09.00%	12.40%
Hedge Funds/Absolute Ret	12.50%	04.68%
Real Estate (Property)	02.00%	06.91%
Commodities	00.50%	05.45%
Global Debt ex US	05.00%	-0.25%
REIT	05.25%	05.63%
	100.00%	

*Discount rate.* The discount rate used to measure the State's total pension liability was 3.98% as of June 30, 2016. This single blended discount rate was based on the 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 municipal bonds with an average rating of AA/Aa or higher.

**Burlington Township School District  
Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2017**

**9. PENSION PLANS (Continued)**

**Public Employees' Retirement System (PERS) (Continued)**

*Discount rate (Continued)* - 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 measured 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 (2.98%) or 1 percentage point higher (4.98%) than the current rate:

	<b>1% Decrease (2.98%)</b>	<b>Current Discount Rate (3.98%)</b>	<b>1% Increase (4.98%)</b>
District's proportionate share of the net pension liability	\$ 12,982,441	\$ 10,594,596	\$ 8,623,223

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

**Defined Contribution Retirement Program (DCRP)**

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

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

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

<u>Year</u>	<u>Total Liability</u>	<u>Paid by School District</u>
2017	\$ 12,344	\$ 12,344
2016	11,004	11,004
2015	17,353	17,353

**Burlington Township School District  
Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2017**

**10. 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 who retired from a board of education or county college with 25 years of service. The State paid \$231.1 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>

**11. ON-BEHALF PAYMENTS**

For the fiscal year ended June 30, 2017, the School District has recognized as revenues and expenditures on-behalf payments made by the state for normal retirement costs, post-retirement medical costs and long term disability insurance related to TPAF, in the fund statements. The amounts recognized as revenues and expenditures in the fund financial statements for normal costs, post-retirement medical costs and long term disability insurance were \$2,747,161, \$2,289,010, and \$3,698, respectively. In addition, \$1,925,759 on-behalf payments were made by the state for the employer's share of social security contributions for TPAF members, as calculated on their base salaries.

**12. RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; employee health and accident claims; and natural disasters. The District has chosen to purchase insurance to transfer the risk to outside parties.

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

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

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

**Burlington Township School District  
Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2017**

**12. RISK MANAGEMENT (Continued)**

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

<u>Fiscal Year</u>	<u>Employee Contributions</u>	<u>Employer Contributions</u>	<u>Interest Earned</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2016-2017	\$ 48,993	\$ -	\$ 2,768	\$ 31,219	\$ 628,906
2015-2016	47,795	-	1,798	47,811	608,364
2014-2015	46,758	45,820	1,522	39,672	606,582
2013-2014	64,595	195,673	516	207,169	552,154
2012-2013	49,059	426,087	163	90,169	498,539

**13. DEFERRED COMPENSATION**

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

**14. COMPENSATED ABSENCES**

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

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

The liability for vested compensated absences is recorded within those funds as the benefits accrued to the employees. As of June 30, 2017, the liability for compensated absences in the governmental fund was \$1,602,918.

**15. INTERFUND RECEIVABLES AND PAYABLES**

Interfund receivables/payables are recorded to cover temporary cash shortages and/or timing differences in the respective funds. There are no interfund balances that are not expected to be repaid by June 30, 2018. The following interfund balances were recorded on the various balance sheets as of June 30, 2017:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General	\$ 1,096,386	\$ 127,505
Special Revenue		99,740
Capital Projects		632,337
Debt Service	49,322	
Proprietary	67,626	371,969
Internal Service		36,682
Fiduciary	59,878	4,979
	<u>\$ 1,273,212</u>	<u>\$ 1,273,212</u>

**Burlington Township School District  
Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2017**

**16. CONTINGENCIES**

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

At June 30, 2017, significant amounts of grant expenditures have not been audited by the granting agency, but the School District believes that disallowed expenditures discovered in subsequent audits, if any, will not have a material effect on any of the individual funds or the overall financial position of the School District. Additionally, deferred revenues are recognized in those funds that have received grant monies in advance of future, reimbursable expenditures.

**17. TAX ABATEMENTS**

As defined by the Governmental Accounting Standards Board (GASB), 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 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.

The Township of Burlington (Municipality) provides for long-term tax exemptions, as authorized by New Jersey State Statutes. N.J.S.A. 40A:20-1 et seq. sets forth the criteria and mechanism by which property taxes can and are abated. The exemptions provided by the Municipality are for affordable housing and other permitted purposes. Taxes abated include municipal, local school, and county taxes.

The municipality recognized revenue of \$92,568 from the annual service charge in lieu of payment of taxes in 2016. The assessed value on these tax exemption properties amounted to \$45,511,800 which would have resulted in 2016 taxes billed in full of \$1,365,354. A portion of the \$1,272,786 abatement would have been allocated to the District.

**18. DEFICIT UNASSIGNED FUND BALANCE**

The School District has a deficit unassigned fund balance of \$205,080 in the General Fund as of June 30, 2017 as reported in the fund statements (modified accrual basis). N.J.S.A. 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, school districts must record the delayed one or more June state aid payments as revenues, for budget purposes only, in the current school budget year. The statute provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the June state aid payments in the subsequent fiscal year, the School District cannot recognize the June state aid payments on the GAAP financial statements until the year the State records the payable. Due to the timing difference of recording the June state aid payments, the general and special revenue fund balance deficit does not alone indicate that the School District is facing financial difficulties.

**Burlington Township School District  
Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2017**

**18. DEFICIT UNASSIGNED FUND BALANCE (CONTINUED)**

Pursuant to N.J.S.A. 18A:22-44.2 any negative unassigned general fund balance that is reported as a direct result from a delay in the June payments of state aid until the following fiscal year, is not considered in violation of New Jersey statute and regulation nor in need of corrective action. The School District deficit in the GAAP funds statements of \$205,080 is equal to or less than the June state aid payments.

**19. DEFICIT UNRESTRICTED NET POSITION**

As of June 30, 2017, a deficit of \$11,736,951 existed in the Unrestricted Net Position of the Governmental Activities. A reconciliation of Unreserved Fund Balance reported on Exhibit B-1 to Unrestricted Net Position reported on Exhibited A-1 as follows:

Balances June 30, 2017	
Fund Balance (Deficit)	
(Exclusive of Capital Projects and Debt Service Funds):	
Fund Balance – Unassigned	\$ (205,080)
Liabilities:	
Accrued interest Payable	(482,700)
Net pension differences	(9,446,253)
Compensated Absences	<u>(1,602,918)</u>
Unrestricted Net Position (Deficit)	<u>\$ (11,736,951)</u>

**20. FUND BALANCES**

*RESTRICTED*

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

*RESTRICTED*

**General Fund:**

**Capital Reserve** – As of June 30, 2017, the balance in the capital reserve account is \$1,794,043, all of which is restricted for future capital outlay expenditures for capital projects in the School District’s approved Long Range Facilities Plan.

**Maintenance Reserve Account** – As of June 30, 2017, the balance in the maintenance reserve account is \$1,419,000. Of this amount, \$473,000 has been appropriated and included as an anticipated revenue for the fiscal year ended June 30, 2018. These funds are restricted for the required maintenance of school facilities in accordance with the Educational Facilities Construction and Financing Act (EFCFA) (N.J.S.A. 18A:7G-9) as amended by P.L. 2004, c. 73 (S1701).



**Burlington Township School District  
Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2017**

**20. FUND BALANCES (Continued)**

*ASSIGNED*

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

**General Fund:**

**Designated for Subsequent Year's Expenditures** – The School District has appropriated and included as an anticipated revenue for the fiscal year ending June 30, 2018, \$1,380,434 of general fund balance at June 30, 2017.

**Other Purposes** – At June 30, 2017 the School District has \$279,304 of encumbrances outstanding for purchase orders and contracts signed by the School District, but not completed, as of the close of the fiscal year.

**Capital Projects Fund:**

**Other Purposes** – At June 30, 2017 the School District has \$4,658,200 of encumbrances outstanding for purchase orders and contracts signed by the School District, but not completed, as of the close of the fiscal year.

**Debt Service Fund:**

**Designated for Subsequent Year's Expenditures** – The School District has appropriated and included as an anticipated revenue for the fiscal year ending June 30, 2018, \$13,870 of debt service fund balance at June 30, 2017.

*UNASSIGNED*

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

**General Fund** – As of June 30, 2017, a deficit balance of \$205,080 was unassigned.

**Capital Projects Fund** – As of June 30, 2017, \$3,093,475 was unassigned.

**Debt Service Fund** – As of June 30, 2017, \$35,452 was unassigned.

Required Supplementary Information - Part II

Budgetary Comparison Schedules

**BURLINGTON TOWNSHIP BOARD OF EDUCATION**  
**Budgetary Comparison Schedule**  
**General Fund**  
**Fiscal Year Ended June 30, 2017**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>REVENUES:</b>					
Local sources:					
Local tax levy	\$ 39,569,797	\$ -	\$ 39,569,797	\$ 39,569,797	\$ -
Tuition - other LEAS within State	39,000	-	39,000	169,745	130,745
Tuition - from individuals				17,704	17,704
Transportation fees from other LEAs	15,000	-	15,000	44,561	29,561
Capital reserve interest	400	-	400	7,998	7,598
Unrestricted miscellaneous revenue	77,000	-	77,000	317,578	240,578
<b>Total local sources</b>	<b>39,701,197</b>	<b>-</b>	<b>39,701,197</b>	<b>40,127,383</b>	<b>426,186</b>
State sources:					
Categorical special education aid	2,315,921		2,315,921	2,315,921	
Equalization aid	14,996,159		14,996,159	14,996,159	
Categorical security aid	428,856		428,856	428,856	
Categorical transportation aid	779,010		779,010	779,010	
Under adequacy aid	34,377		34,377	34,377	
PARCC Readiness Aid	40,040		40,040	40,040	
Per Pupil Growth Aid	40,040		40,040	40,040	
Professional Learning Community Aid	38,580		38,580	38,580	
Homeless tuition				350,327	350,327
Additional non-public transportation aid				22,446	22,446
Extraordinary aid	400,000		400,000	714,655	314,655
Lead Testing for Schools Aid				12,190	12,190
On-behalf TPAF Pension (non-budgeted)				2,747,161	2,747,161
On-behalf TPAF post retirement (non-budgeted)				2,289,010	2,289,010
On-behalf TPAF-LTDI (non-budgeted)				3,698	3,698
Reimbursed TPAF social security contributions (non-budgeted)				1,925,759	1,925,759
<b>Total state sources</b>	<b>19,072,983</b>	<b>-</b>	<b>19,072,983</b>	<b>26,738,229</b>	<b>7,665,246</b>
Federal sources:					
Medicaid Reimbursement - ARRA				4,315	4,315
Medicaid Reimbursement	57,425	-	57,425	92,928	35,503
<b>Total federal sources</b>	<b>57,425</b>	<b>-</b>	<b>57,425</b>	<b>97,243</b>	<b>39,818</b>
<b>TOTAL REVENUES</b>	<b>58,831,605</b>	<b>-</b>	<b>58,831,605</b>	<b>66,962,855</b>	<b>8,131,250</b>
<b>EXPENDITURES:</b>					
<b>CURRENT EXPENSE:</b>					
Regular Programs - Instruction:					
Salaries of teachers					
Kindergarten	768,454	133,601	902,055	901,630	425
Grades 1-5	5,095,646	33,750	5,129,396	5,068,291	61,105
Grades 6-8	4,260,288	(145,670)	4,114,618	4,080,289	34,329
Grades 9-12	6,136,500	(162,750)	5,973,750	5,950,806	22,944
<b>Total Instruction</b>	<b>16,260,888</b>	<b>(141,069)</b>	<b>16,119,819</b>	<b>16,001,016</b>	<b>118,803</b>
Regular Programs - Home Instruction:					
Salaries of teachers	152,780	(9,980)	142,800	139,163	3,637
Purchased Prof. - Ed. Services	24,000	-	24,000	19,571	4,429
<b>Total Home Instruction</b>	<b>176,780</b>	<b>(9,980)</b>	<b>166,800</b>	<b>158,734</b>	<b>8,066</b>
Regular Programs - Undistributed Instruction:					
Purchased Prof. - Ed. Services	763,325	55,640	818,965	798,050	20,915
Other purchased services	152,500	(13,240)	139,260	116,344	22,916
General supplies	553,042	(51,736)	501,306	440,686	60,620
Textbooks	43,600	70,000	113,600	112,418	1,182
<b>Total Undistributed Instruction</b>	<b>1,512,467</b>	<b>60,664</b>	<b>1,573,131</b>	<b>1,467,498</b>	<b>105,633</b>
<b>Total - Regular Programs - Instruction</b>	<b>17,950,135</b>	<b>(90,385)</b>	<b>17,859,750</b>	<b>17,627,248</b>	<b>232,502</b>

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

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**BURLINGTON TOWNSHIP BOARD OF EDUCATION**  
**Budgetary Comparison Schedule**  
**General Fund**  
**Fiscal Year Ended June 30, 2017**

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Learning and/or Language Disabilities					
Salaries of teachers	\$ 197,661	\$ (83,300)	\$ 114,361	\$ 112,769	\$ 1,592
Other salaries for instruction	46,356	700	47,056	47,020	36
Purchased professional - educ services	24,169	4,000	28,169	27,981	188
General supplies	7,000		7,000	1,141	5,859
<u>Total Learning and/or Language Disabilities</u>	<u>275,186</u>	<u>(78,600)</u>	<u>196,586</u>	<u>188,911</u>	<u>7,675</u>
Special Educ Instruction: Multiple Disabilities					
Salaries of teachers	226,422	231,389	457,811	414,751	43,060
Other salaries for instruction	43,128	3,000	46,128	45,731	397
Purchased professional - educ services	179,342	(77,050)	102,292	98,700	3,592
General supplies	12,100	50	12,150	9,895	2,255
Textbooks	393		393	62	331
<u>Total Multiple Disabilities</u>	<u>461,385</u>	<u>157,389</u>	<u>618,774</u>	<u>569,139</u>	<u>49,635</u>
Special Educ Instruction: Res. Room/Res. Center					
Salaries of teachers	3,428,843	(275,999)	3,152,844	3,100,858	51,986
Other salaries for instruction	92,558	(9,000)	83,558	69,465	14,093
Purchased professional education services	655,912	381,335	1,037,247	1,028,946	8,301
General supplies	26,323	200	26,523	22,353	4,170
Textbooks	6,270		6,270	2,125	4,145
<u>Total Resource Room/Resource Center</u>	<u>4,209,906</u>	<u>96,536</u>	<u>4,306,442</u>	<u>4,223,747</u>	<u>82,695</u>
Special Educ Instruction: Autism					
Salaries of teachers	294,807	1,800	296,607	246,587	50,020
Purchased professional - educ services	90,500	(7,000)	83,500	79,147	4,353
General supplies	8,350		8,350	6,503	1,847
<u>Total Autism</u>	<u>393,657</u>	<u>(5,200)</u>	<u>388,457</u>	<u>332,237</u>	<u>56,220</u>
Special Educ Instruction: Preschool Disabilities - PT					
Salaries of teachers	26,424	150	26,574	26,565	9
<u>Total Preschool Disabilities - Part-Time</u>	<u>26,424</u>	<u>150</u>	<u>26,574</u>	<u>26,565</u>	<u>9</u>
Special Educ Instruction: Preschool Disabilities - FT					
Salaries of teachers	348,431	76,699	425,130	347,461	77,669
Purchased professional - educ services	334,898	(32,900)	301,998	297,902	4,096
<u>Total Preschool Disabilities - Full-Time</u>	<u>683,329</u>	<u>43,799</u>	<u>727,128</u>	<u>645,363</u>	<u>81,765</u>
<u>Total Special Education - Instruction</u>	<u>6,049,887</u>	<u>214,074</u>	<u>6,263,961</u>	<u>5,985,962</u>	<u>277,999</u>
Basic Skills/Remedial - Instruction					
Salaries of teachers	755,281	(201,915)	553,366	530,970	22,396
Other salaries for instruction	23,483	3,800	27,283	27,123	160
Purchased professional - educ services	6,000	(2,100)	3,900	3,690	210
<u>Total Basic Skills/Remedial - Instruction</u>	<u>784,764</u>	<u>(200,215)</u>	<u>584,549</u>	<u>561,783</u>	<u>22,766</u>
Bilingual Education - Instruction					
Salaries of teachers	278,389	12,800	291,189	291,076	113
General supplies	5,400		5,400	3,520	1,880
Textbooks	500		500	500	0
<u>Total Bilingual Instruction- Instruction</u>	<u>284,289</u>	<u>12,800</u>	<u>297,089</u>	<u>294,596</u>	<u>2,493</u>

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

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**BURLINGTON TOWNSHIP BOARD OF EDUCATION**  
**Budgetary Comparison Schedule**  
**General Fund**  
**Fiscal Year Ended June 30, 2017**

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Vocational Programs - Local - Instruction					
Salaries of teachers	\$ 130,454	\$ 1,000	\$ 131,454	\$ 127,766	\$ 3,688
General supplies	21,000		21,000	20,899	101
Total Vocational Programs- Instruction	151,454	1,000	152,454	148,665	3,789
School-Sponsored Cocurricular Act - Inst.					
Salaries	193,215	12,400	205,615	176,376	29,239
Supplies and materials	82,400	16,156	98,556	74,427	24,129
Total School-Sponsored Cocurr. Act. - Inst	275,615	28,556	304,171	250,803	53,368
School-Sponsored Athletics - Inst.					
Salaries	391,765	34,054	425,819	415,616	10,203
Purchased services (300-500)	48,100	(12,258)	35,842	34,992	850
Supplies and materials	65,366	15,358	80,724	80,533	191
Transfer to cover deficit (agency funds)	70,000	20,000	90,000	90,000	
Total School-Sponsored Athletics - Inst	575,231	57,154	632,385	621,141	11,244
Summer School					
Salaries	164,452	(8,479)	155,973	132,930	23,043
Other Salaries of Instructions	25,012		25,012	23,147	1,865
Purchased Professional & Technical Services	90,000	1,500	91,500	91,284	216
General Supplies	850		850	250	600
Total Summer School	280,314	(6,979)	273,335	247,611	25,724
Other Supplemental/At-Risk Programs					
Salaries of Teacher Tutors	50,434	(34,801)	15,633	11,297	4,336
Salaries of Reading Specialist	59,128	45,800	104,928	104,902	26
Total Other Supplemental/At-Risk Programs	109,562	10,999	120,561	116,199	4,362
Undistributed Expenditures - Instruction					
Tuition to other LEA's w/ the state - reg.	45,000	142,900	187,900	186,180	1,720
Tuition to other LEA's w/ the state - spl.	49,000	(18,000)	31,000	30,591	409
Tuition to county voc. school dist. - reg.	260,000	(14,008)	245,992	243,600	2,392
Tuition to CSSD & reg. day schools	738,703	138,448	877,151	875,404	1,747
Tuition to priv. sch. for the disabled w/ state	1,727,197	(432,700)	1,294,497	1,292,466	2,031
Tuition to priv. sch. for the disabled out state	42,945	(36,600)	6,345	5,132	1,213
Tuition - state facilities	41,306		41,306	41,306	
Tuition - Other		47,000	47,000	47,000	
Total Undistributed Expenditures - Instruction	2,904,151	(172,960)	2,731,191	2,721,679	9,512
Undistributed Expenditures - Attend. and Social Work					
Salaries	68,299	4,000	72,299	72,217	82
Other Purchased Serv.	1,500	1,100	2,600	2,545	55
Total Undistributed Expenditures - Attendance	69,799	5,100	74,899	74,762	137
Undistributed Expenditures - Health Services					
Salaries	523,609	13,885	537,494	532,414	5,080
Purchased prof. and technical services	55,000	27,309	82,309	77,613	4,696
Supplies and materials	13,600	1,000	14,600	12,321	2,279
Total Undistributed Expenditures - Health Svcs.	592,209	42,194	634,403	622,348	12,055

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

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**BURLINGTON TOWNSHIP BOARD OF EDUCATION**  
**Budgetary Comparison Schedule**  
**General Fund**  
**Fiscal Year Ended June 30, 2017**

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Speech, OT, PT, - Related Services					
Salaries	\$ 673,119	\$ 39,214	\$ 712,333	\$ 703,901	\$ 8,432
Purchased prof. and educational services	290,540	(146,185)	144,355	131,361	12,994
Supplies and materials	8,900	700	9,600	7,308	2,292
Total Undst. Expend. - Speech, OT, PT. - Rel. Serv.	<u>972,559</u>	<u>(106,271)</u>	<u>866,288</u>	<u>842,570</u>	<u>23,718</u>
Undist. Expend. - Other Supp. Serv. Stud. - Extra. Serv.					
Salaries	69,684	91,000	160,684	152,825	7,859
Purchased prof. and educational services	1,520,351	260,276	1,780,627	1,778,844	1,783
Total Undst. Expend. - Other Supp. Serv. Stud. - Extra. Serv.	<u>1,590,035</u>	<u>351,276</u>	<u>1,941,311</u>	<u>1,931,669</u>	<u>9,642</u>
Undist. Expend. - Guidance					
Salaries of other professional staff	1,186,395	(100,500)	1,085,895	1,083,449	2,446
Salaries of secretarial and clerical assistants	240,382	(43,400)	196,982	194,036	2,946
Other purchased prof. and technical services	33,000	(2,000)	31,000	28,894	2,106
Other purchased prof. services	1,100		1,100	299	801
Supplies and materials	24,500		24,500	23,150	1,350
Other objects	1,000		1,000	818	182
Total Undst. Expend. - Guidance	<u>1,486,377</u>	<u>(145,900)</u>	<u>1,340,477</u>	<u>1,330,646</u>	<u>9,831</u>
Undist. Expend. - Child Study Team					
Salaries of other professional staff	1,077,996	(113,000)	964,996	962,033	2,963
Salaries of secretarial and clerical assistants	144,946	5,400	150,346	145,242	5,104
Purchased Prof. - Ed Services	2,000	107,500	109,500	105,635	3,865
Other purchased prof. and technical services	12,000		12,000	10,982	1,018
Other purchased services	1,500	2,000	3,500	2,740	760
Supplies and materials	58,370	(24,500)	33,870	33,422	448
Other objects	1,500	(500)	1,000		1,000
Total Undst. Expend. - Child Study Team	<u>1,298,312</u>	<u>(23,100)</u>	<u>1,275,212</u>	<u>1,260,054</u>	<u>15,158</u>
Undist. Expend. - Improvement of Instr. Services					
Salaries of supervisor of instruction	708,498	48,200	756,698	754,071	2,627
Salaries of other professional staff	88,299	48,000	136,299	128,640	7,659
Salaries of secretarial and clerical assistants	48,964	500	49,464	49,200	264
Other Salaries	60,126	(19,500)	40,626	40,067	\$559
Salaries of Facilitators, Math & Literacy	137,146	(70,297)	66,849	65,125	1,724
Purchased prof. and educational services	27,000	120,000	147,000	144,776	2,224
Other purchased services (400-500)	18,000	4,000	22,000	13,946	8,054
Supplies and materials	137,032	152,869	289,901	281,973	7,928
Other Objects	9,740	(900)	8,840	8,781	59
Total Undst. Expend. - Improvement of Instr. Services	<u>1,234,805</u>	<u>282,872</u>	<u>1,517,677</u>	<u>1,486,579</u>	<u>31,098</u>
Undist. Expend. - Educ. Media Serv./Sch. Library					
Salaries	144,867	11,000	155,867	155,211	656
Supplies and materials	262,252	302,400	564,652	553,723	10,929
Total Undst. Expend. - Educ. Media Serv./Sch. Library	<u>407,119</u>	<u>313,400</u>	<u>720,519</u>	<u>708,934</u>	<u>11,585</u>
Undist. Expend. - Instructional Staff Training					
Salaries of other professional staff	12,912	(5,000)	7,912	6,567	1,345
Purchased prof. and educational services	5,000		5,000	5,000	
Other purchased services (400-500)	29,400	(3,500)	25,900	19,207	6,693
Total Undst. Expend. - Instructional Staff Training	<u>47,312</u>	<u>(8,500)</u>	<u>38,812</u>	<u>30,774</u>	<u>8,038</u>

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

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**BURLINGTON TOWNSHIP BOARD OF EDUCATION**  
**Budgetary Comparison Schedule**  
**General Fund**  
**Fiscal Year Ended June 30, 2017**

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Supp. Serv. General Admin.					
Salaries	\$ 241,812	\$ (15,625)	\$ 226,187	\$ 224,651	\$ 1,536
Legal services	175,000	(20,000)	155,000	146,231	8,769
Audit fees	33,900		33,900	33,900	
Architectural/Engineering Services	20,000	47,800	67,800	66,506	1,294
Other purchased professional services	20,040	1,200	21,240	16,164	5,076
Communications / telephone	374,000	(59,200)	314,800	309,684	5,116
BOE Other Purchased Services	1,500		1,500	524	976
Other purchased services (400-500)	58,800	11,200	70,000	58,258	11,742
General supplies	35,000	(24,950)	10,050	7,556	2,494
BOE In-House Training/Meeting Supplies	9,000		9,000	4,622	4,378
Miscellaneous expenditures	8,500		8,500	7,194	1,306
BOE Membership Dues and Fees	29,000	(7,000)	22,000	20,924	1,076
<b>Total Undst. Expend. - Supp. Serv. General Admin.</b>	<b>1,006,552</b>	<b>(66,575)</b>	<b>939,977</b>	<b>896,214</b>	<b>43,763</b>
Undist. Expend. - Supp. Serv. School Admin.					
Salaries of principals/assist. principals	1,317,863	(8,500)	1,309,363	1,308,005	1,358
Salaries of secretarial and clerical assistants	527,505	40,320	567,825	561,039	6,786
Other purchased services (400-500)	14,950	(5,000)	9,950	865	9,085
Supplies and materials	329,607	(183,353)	146,254	137,831	8,423
Other Objects	22,300		22,300	18,085	4,215
<b>Total Undst. Expend. - Supp. Serv. School Admin.</b>	<b>2,212,225</b>	<b>(156,533)</b>	<b>2,055,692</b>	<b>2,025,825</b>	<b>29,867</b>
Undist. Expend. - Central Services					
Salaries	705,540	16,500	722,040	719,976	2,064
Purchased professional services		8,000	8,000	6,520	1,480
Misc. Purchased services	46,500	2,500	49,000	45,330	3,670
Supplies and materials	75,500	25,133	100,633	37,304	63,329
Miscellaneous Expenditures	5,000	5,000	10,000	4,320	5,680
<b>Total Undst. Expend. - Central Services</b>	<b>832,540</b>	<b>57,133</b>	<b>889,673</b>	<b>813,450</b>	<b>76,223</b>
Undist. Expend. - Admin Info Technology					
Purchased Technical Services	409,068	(16,000)	393,068	392,216	852
Other purchased services (400-500)	5,500	-	5,500	893	4,607
Supplies and materials	234,000	(179,620)	54,380	36,940	17,440
<b>Total Undst. Expend. - Admin Info Technology</b>	<b>648,568</b>	<b>(195,620)</b>	<b>452,948</b>	<b>430,049</b>	<b>22,899</b>
Undist. Expend. - Required Maint. Sch. Facilities					
Salaries	428,469	20,750	449,219	442,773	6,446
Cleaning, repair, and maintenance services	275,526	95,500	371,026	365,261	5,765
General supplies	195,000	45,400	240,400	232,388	8,012
<b>Total Undst. Expend. - Required Maint. Sch. Facilities</b>	<b>898,995</b>	<b>161,650</b>	<b>1,060,645</b>	<b>1,040,422</b>	<b>20,223</b>
Undist. Expend. - Custodial Services					
Salaries of Non-Instructional Aides	159,462	94,600	254,062	253,227	835
Purchased professional & tech. services	2,433,474	(99,460)	2,334,014	2,302,529	31,485
Other purchased property services	30,500	(12,500)	18,000	17,459	541
Insurance	290,000	8,500	298,500	298,223	277
General supplies	106,500	18,700	125,200	124,073	1,127
Energy (Natural Gas)	300,000	(108,740)	191,260	189,986	1,274
Energy (Electricity)	1,149,000	(21,109)	1,127,891	1,127,891	
<b>Total Undst. Expend. - Custodial Services</b>	<b>4,468,936</b>	<b>(120,009)</b>	<b>4,348,927</b>	<b>4,313,388</b>	<b>35,539</b>
Undist. Expend. - Care & Upkeep of Grounds					
Purchased professional & tech. services	7,500	(6,900)	600		600
Cleaning, repair, and maintenance services	25,000	(25,000)			
General supplies	63,000		63,000	61,880	1,120
<b>Total Undst. Expend. - Care &amp; Upkeep of Grounds</b>	<b>95,500</b>	<b>(31,900)</b>	<b>63,600</b>	<b>61,880</b>	<b>1,720</b>

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

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**BURLINGTON TOWNSHIP BOARD OF EDUCATION**  
**Budgetary Comparison Schedule**  
**General Fund**  
**Fiscal Year Ended June 30, 2017**

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Security					
Salaries	\$ 202,851	\$ 40,000	\$ 242,851	\$ 237,298	\$ 5,553
Purchased professional & tech. services	33,500	7,500	41,000	39,211	1,789
Cleaning, repair, and maintenance services	25,000	(17,200)	7,800	4,505	3,295
General supplies	20,000		20,000	13,034	6,966
<b>Total Undst. Expend. - Security</b>	<b>281,351</b>	<b>30,300</b>	<b>311,651</b>	<b>294,048</b>	<b>17,603</b>
<b>Total Undst. Expend. - Oper. &amp; Maint. of Plant Services</b>	<b>5,744,782</b>	<b>40,041</b>	<b>5,784,823</b>	<b>5,709,738</b>	<b>75,085</b>
Undist. Expend. - Student Trans. Services					
Salaries for Non-Instructional Aides	33,305	19,000	52,305	51,094	1,211
Salaries for pupil trans (bet home & sch) - reg ed.	117,065	500	117,565	117,500	65
Salaries for pupil trans (bet home & sch) - spl. ed.	254,786	129,500	384,286	384,158	128
Salaries for pupil trans (other than bet home & sch)	33,172	19,601	52,773	52,540	233
Cleaning, repair, and maintenance services	38,000	12,600	50,600	50,575	25
Contr. serv. (bet. home & sch.) - vendors	1,679,000	(163,000)	1,516,000	1,513,287	2,713
Contr. serv. (other than bet. home & sch.) - vendors	143,950	(73,900)	70,050	61,962	8,088
Contr. serv. (sp ed stds) - vendors	350,466	49,000	399,466	398,305	1,161
Contr. serv. (sp ed stds) - joint agreements	21,800	89,400	111,200	111,114	86
Contr. serv. Aid in Lieu Pymts - Non Public	135,000	(51,000)	84,000	82,495	1,505
Misc. purchased services - transportation	3,000		3,000	1,902	1,098
Supplies and materials	5,500	2,000	7,500	7,282	218
<b>Total Undst. Expend. - Student Trans. Services</b>	<b>2,815,044</b>	<b>33,701</b>	<b>2,848,745</b>	<b>2,832,214</b>	<b>16,531</b>
Regular Programs - Instruction - Employee Benefits					
Social security contributions	372,000	(34,500)	337,500	336,127	1,373
Other retirement contributions - PERS	333,000	24,536	357,536	353,856	3,680
Unemployment Compensation	30,000	(30,000)			
Workmen's Compensation	290,900	(15,500)	275,400	273,903	1,497
Health benefits	7,989,907	(527,769)	7,462,138	7,398,826	63,312
Tuition reimbursement	90,000	(56,000)	34,000	21,585	12,415
Unused Sick Payment to Terminated/Retired Staff		24,100	24,100	24,004	96
Other employee benefits	62,493	(16,900)	45,593	45,408	185
<b>Total Regular Programs - Instruction</b>	<b>9,168,300</b>	<b>(632,033)</b>	<b>8,536,267</b>	<b>8,453,709</b>	<b>82,558</b>
Support Services - General Administration - Employee Benefits					
Social security contributions	90,000		90,000	90,000	
Health benefits	501,000		501,000	500,988	12
Tuition reimbursement	5,000	7,760	12,760	12,620	140
Unused Sick Payment to Terminated/Retired Staff		6,000	6,000	5,325	675
Other employee benefits	37,000	(13,760)	23,240	21,598	1,642
<b>Total Other Support Services</b>	<b>633,000</b>		<b>633,000</b>	<b>630,531</b>	<b>2,469</b>
<b>Total Allocated Benefits</b>	<b>9,801,300</b>	<b>(632,033)</b>	<b>9,169,267</b>	<b>9,084,240</b>	<b>85,027</b>
On-behalf TPAF Pension Contributions (non-budgeted)				2,747,161	(2,747,161)
On-behalf TPAF post retirement (non-budgeted)				2,289,010	(2,289,010)
On-behalf TPAF-LTDI (non-budgeted)				3,698	(3,698)
Reimbursed TPAF social security contributions (non-budgeted)				1,925,759	(1,925,759)
<b>Total Undistributed Expenditures - TPAF</b>				<b>6,965,628</b>	<b>(6,965,628)</b>
<b>Total Undistributed Expenditures</b>	<b>\$ 33,663,689</b>	<b>\$ (381,775)</b>	<b>\$ 33,281,914</b>	<b>\$ 39,767,373</b>	<b>\$ (6,485,459)</b>
<b>Total General Current Expense</b>	<b>\$ 60,124,940</b>	<b>\$ (354,771)</b>	<b>\$ 59,770,169</b>	<b>\$ 65,621,381</b>	<b>\$ (5,851,212)</b>

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

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**BURLINGTON TOWNSHIP BOARD OF EDUCATION**  
**Budgetary Comparison Schedule**  
**General Fund**  
**Fiscal Year Ended June 30, 2017**

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES:</b>					
<b>CAPITAL OUTLAY:</b>					
Equipment:					
Kindergarten	\$ -	\$ -	\$ -	\$ -	\$ -
Grades 9-12	52,105	103,852	155,957	141,756	14,201
General Administration		33,548	33,548	33,548	
Undistributed Expenditures - Required Maint.	349,945	363,679	713,624	468,526	245,098
Undistributed Expenditures - Security		193,499	193,499	152,897	40,602
Undist. Exp. - Non-Instructional - School Buses - Special		92,600	92,600	92,530	70
<b>Total Equipment</b>	<u>402,050</u>	<u>787,178</u>	<u>1,189,228</u>	<u>889,257</u>	<u>299,971</u>
Facilities Acquisition and Construction Services:					
Assessment for Debt Service on SDA funding	163,860		163,860	163,860	
<b>Total Facilities Acquisition and Construction Services</b>	<u>163,860</u>		<u>163,860</u>	<u>163,860</u>	
<b>Total Capital Outlay</b>	<u>565,910</u>	<u>787,178</u>	<u>1,353,088</u>	<u>1,053,117</u>	<u>299,971</u>
Transfer of Funds to Charter Schools	9,197	808	10,005	10,005	
<b>Total Expenditures</b>	<u>60,700,047</u>	<u>433,215</u>	<u>61,133,262</u>	<u>66,684,503</u>	<u>\$ (5,551,241)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures:	<u>(1,868,442)</u>	<u>(433,215)</u>	<u>(2,301,657)</u>	<u>278,352</u>	<u>2,580,009</u>
Other Financing Sources(Uses):					
Operating transfer out - Capital Projects Fund					
<b>Total Other Financing Sources</b>					
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses):	<u>(1,868,442)</u>	<u>(433,215)</u>	<u>(2,301,657)</u>	<u>278,352</u>	<u>2,580,009</u>
Fund Balance, July 1	<u>6,125,907</u>		<u>6,125,907</u>	<u>6,125,907</u>	
Fund Balance, June 30	<u>\$ 4,257,465</u>	<u>\$ (433,215)</u>	<u>\$ 3,824,250</u>	<u>\$ 6,404,259</u>	<u>\$ 2,580,009</u>
Recapitulation of Fund Balance:					
Restricted Fund Balance:					
Maintenance Reserve				\$ 1,419,000	
Capital Reserve Account				1,794,043	
Assigned Fund Balance:					
Year-end Encumbrances				279,304	
Designated for Subsequent Year's Expenditures				1,380,434	
Unassigned Fund Balance				<u>1,531,478</u>	
				6,404,259	
Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid Payment Not Recognized on GAAP Basis				(1,736,558)	
Fund Balance per Governmental Funds (GAAP)				<u>\$ 4,667,701</u>	

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

**BURLINGTON SCHOOL DISTRICT**  
**Budgetary Comparison Schedule**  
**Special Revenue Fund**  
**Fiscal Year Ended June 30, 2017**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>REVENUES:</b>					
Local sources	\$ 34,078	\$ -	\$ 34,078	\$ 21,582	\$ (12,496)
State sources	12,260		12,260	12,260	
Federal sources	1,403,310		1,403,310	1,345,037	(58,273)
<b>Total revenues</b>	<b>1,449,648</b>		<b>1,449,648</b>	<b>1,378,879</b>	<b>(70,769)</b>
<b>EXPENDITURES:</b>					
Instruction:					
Salaries of teachers	267,394	(4,432)	262,962	247,026	15,936
Professional education services	23,500	-	23,500	20,750	2,750
Purchased professional - tech. services	28,767	-	28,767	28,767	
Tuition	843,231	-	843,231	843,231	
General supplies	142,093	398	142,491	101,841	40,650
Textbooks	5,072		5,072	5,072	
<b>Total instruction</b>	<b>1,310,057</b>	<b>(4,034)</b>	<b>1,306,023</b>	<b>1,246,687</b>	<b>59,336</b>
Support services:					
Salaries	64,646	(56)	64,590	55,997	8,593
Personal services - employee benefits	38,687	4,652	43,339	43,217	122
Purchased professional - educ. services	7,188		7,188	7,188	
Purchased professional - tech. services	1,000	-	1,000		1,000
Other purchases services	6,000		6,000	6,000	
General supplies	3,893		3,893	2,175	1,718
<b>Total support services</b>	<b>121,414</b>	<b>4,596</b>	<b>126,010</b>	<b>114,577</b>	<b>11,433</b>
Facilities acquisition and construction services:					
Instructional equipment	13,150	(562)	12,588	12,588	
Noninstructional equipment	5,027		5,027	5,027	
<b>Total facilities acq. and const. services</b>	<b>18,177</b>	<b>(562)</b>	<b>17,615</b>	<b>17,615</b>	
<b>Total expenditures</b>	<b>1,449,648</b>		<b>1,449,648</b>	<b>1,378,879</b>	<b>70,769</b>
<b>Total outflows</b>	<b>1,449,648</b>		<b>1,449,648</b>	<b>1,378,879</b>	<b>70,769</b>
Excess (Deficiency) of revenues over (under) expenditures and other financing sources (uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

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

	<b>General Fund</b>	<b>Special Revenue Fund</b>
<b>Sources/inflows of resources</b>		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedules	\$ 66,962,855	\$ 1,378,879
Difference - budget to GAAP:		
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	1,724,048	
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	(1,736,558)	
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	\$ 66,950,345	\$ 1,378,879
<b>Uses/outflows of resources</b>		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 66,684,503	\$ 1,378,879
Differences - budget to GAAP		
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	\$ 66,684,503	\$ 1,378,879

Required Supplementary Information - Part III

Schedules Related to Accounting and Reporting

For Pensions (GASB 68)

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

	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
District's proportion of the net pension liability (asset)	0.0357718493%	0.0359487690%	0.0465927608%	0.0493936415%
District's proportionate share of the net pension liability (asset)	\$ 10,594,596	\$ 8,069,778	\$ 8,723,439	\$ 9,440,106
District's covered-employee payroll	2,399,955	2,400,251	2,432,574	2,428,688
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	441.45%	336.21%	358.61%	388.69%
Plan fiduciary net position as a percentage of the total pension liability	31.20%	38.21%	42.74%	40.71%

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

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

	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
Contractually required contribution	\$ 331,074	\$ 317,792	\$ 309,063	\$ 384,104
Contributions in relation to the contractually required contributions	<u>(331,074)</u>	<u>(317,792)</u>	<u>(309,063)</u>	<u>(384,104)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	2,399,955	2,400,251	2,432,574	2,428,688
Contributions as a percentage of covered-employee payroll	13.80%	13.24%	12.71%	15.82%

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

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

	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
District's proportion of the net pension liability (asset)	0.2417216061%	0.2451435951%	0.2468446315%	0.2392690707%
District's proportionate share of the net pension liability (asset)	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability (asset) associated with the District	\$ 190,153,606	\$ 154,941,220	\$ 131,930,422	\$ 120,924,706
Total	<u>\$ 190,153,606</u>	<u>\$ 154,941,220</u>	<u>\$ 131,930,422</u>	<u>\$ 120,924,706</u>
District's covered-employee payroll	25,865,375	24,975,921	24,681,882	24,642,454
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	22.33%	28.71%	33.64%	33.76%

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



**Burlington Township School District**  
**Notes to Required Supplementary Information**  
**Pension Schedules**  
**For the Fiscal Year Ended June 30, 2017**

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

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

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

**2. Public Employees' Retirement System (PERS)**

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

*Changes of assumptions:* 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 3 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 (set back 1 year for males and females) for service retirements and beneficiaries of former members and a one-year static projection based on mortality improvement Scale AA. In addition, the tables for service retirements and using a generational approach based on the plan actuary's modified MP-2014 projection scale. 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).

Other Supplementary Information

Special Revenue Fund  
Detail Statements

**BURLINGTON TOWNSHIP SCHOOL DISTRICT**  
**Special Revenue Fund**  
**Combining Statement of Revenues and Expenditures**  
**Budgetary Basis**  
**for the Fiscal Year Ended June 30, 2017**

	Brought Forward (Exh. E-1B)	Brought Forward (Exh. E-1C)	Totals
<b>REVENUES:</b>			
Local sources	\$ 5,374	\$ 16,208	\$ 21,582
State sources		12,260	12,260
Federal sources	1,345,037		1,345,037
Total Revenues	<u>1,350,411</u>	<u>28,468</u>	<u>1,378,879</u>
<b>EXPENDITURES:</b>			
Instruction:			
Salaries of teachers	247,026		247,026
Professional education services	20,750		20,750
Purchased professional and technical services	28,767		28,767
Tuition	843,231		843,231
Textbook		5,072	5,072
General supplies	90,660	11,181	101,841
Total instruction	<u>1,230,434</u>	<u>16,253</u>	<u>1,246,687</u>
Support services:			
Salaries	55,997		55,997
Personal services-employee benefits	43,217		43,217
Purchased professional and educational services		7,188	7,188
Other purchased services	6,000		6,000
Supplies	2,175		2,175
Total support services	<u>107,389</u>	<u>7,188</u>	<u>114,577</u>
Facilities acquisition and const. serv.:			
Instructional equipment	12,588		12,588
Non-Instructional equipment		5,027	5,027
Total facilities acquisition and const. serv.	<u>12,588</u>	<u>5,027</u>	<u>17,615</u>
Total Expenditures	<u>1,350,411</u>	<u>28,468</u>	<u>1,378,879</u>
Excess (Deficiency) of revenues over (under) expenditures and other financing sources (uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

BURLINGTON TOWNSHIP SCHOOL DISTRICT  
Special Revenue Fund  
Combining Statement of Revenues and Expenditures  
Budgetary Basis  
for the Fiscal Year Ended June 30, 2017

	E.S.E.A. as amended by No Child Left Behind (N.C.L.B.)				Individuals with Disabilities Act (IDEA)		Perkins Grant	Visionary Award	Carried Forward (Exh. E-1A)
	Title I	Title IIA	Title III	Title III - Immigrant	Basic	Preschool			
<b>REVENUES:</b>									
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,374	\$ 5,374
State sources									
Federal sources	336,807	65,576	28,021	2,175	843,231	28,767	40,460		1,345,037
<b>Total Revenues</b>	<b>336,807</b>	<b>65,576</b>	<b>28,021</b>	<b>2,175</b>	<b>843,231</b>	<b>28,767</b>	<b>40,460</b>	<b>5,374</b>	<b>1,350,411</b>
<b>EXPENDITURES:</b>									
Instruction:									
Salaries of teachers	237,180		9,846						247,026
Purchased professional and technical services						28,767			28,767
Purchased professional services	20,750								20,750
Tuition					843,231				843,231
Textbooks									
General supplies	48,145		12,422				24,719	5,374	90,660
<b>Total instruction</b>	<b>306,075</b>		<b>22,268</b>		<b>843,231</b>	<b>28,767</b>	<b>24,719</b>	<b>5,374</b>	<b>1,230,434</b>
Support services:									
Salaries		53,997					2,000		55,997
Personal services-employee benefits	30,732	11,579	753				153		43,217
Purchased professional and educational services									
Other purchased services			5,000				1,000		6,000
Supplies				2,175					2,175
<b>Total support services</b>	<b>30,732</b>	<b>65,576</b>	<b>5,753</b>	<b>2,175</b>			<b>3,153</b>		<b>107,389</b>
Facilities acquisition and const. serv.:									
Instructional equipment							12,588		12,588
Non-instructional equipment									
<b>Total facilities acquisition and const. serv.:</b>							<b>12,588</b>		<b>12,588</b>
<b>Total Expenditures</b>	<b>336,807</b>	<b>65,576</b>	<b>28,021</b>	<b>2,175</b>	<b>843,231</b>	<b>28,767</b>	<b>40,460</b>	<b>5,374</b>	<b>1,350,411</b>
Excess (Deficiency) of revenues over (under) expenditures and other financing sources (uses)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

BURLINGTON TOWNSHIP SCHOOL DISTRICT  
 Special Revenue Fund  
 Combining Statement of Revenues and Expenditures  
 Budgetary Basis  
 for the Fiscal Year Ended June 30, 2017

	Nonpublic Textbook	Nonpublic Technology	Nonpublic Security	Exxon Grant	Community Day Freshman First	College Board Rebate Grant	Foundation HSFA	Step Stools NJSBAIG	Totals
<b>REVENUES:</b>									
Local sources	\$ -	\$ -	\$ -	\$ 1,000	\$ 931	\$ 250	\$ 9,000	\$ 5,027	\$ 16,208
State sources	5,072	2,288	4,900						12,260
Federal sources									-
<b>Total Revenues</b>	<b>5,072</b>	<b>2,288</b>	<b>4,900</b>	<b>1,000</b>	<b>931</b>	<b>250</b>	<b>9,000</b>	<b>5,027</b>	<b>28,468</b>
<b>EXPENDITURES:</b>									
Instruction:									
Salaries of teachers									-
Professional education services									-
Purchased professional and technical services									-
Tuition									-
Textbooks	5,072								5,072
General supplies				1,000	931	250	9,000		11,181
<b>Total instruction</b>	<b>5,072</b>			<b>1,000</b>	<b>931</b>	<b>250</b>	<b>9,000</b>		<b>16,253</b>
Support services:									
Salaries									-
Personal services-employee benefits									-
Purchased professional and educational services		2,288	4,900						7,188
Purchased professional and technical services									-
<b>Total support services</b>		<b>2,288</b>	<b>4,900</b>						<b>7,188</b>
Facilities acquisition and const. serv.:									
Instructional equipment									-
Non-instructional equipment								5,027	5,027
<b>Total facilities acquisition and const. serv.:</b>								<b>5,027</b>	<b>5,027</b>
<b>Total Expenditures</b>	<b>5,072</b>	<b>2,288</b>	<b>4,900</b>	<b>1,000</b>	<b>931</b>	<b>250</b>	<b>9,000</b>	<b>5,027</b>	<b>28,468</b>
Excess (Deficiency) of revenues over (under) expenditures and other financing sources (uses)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Capital Projects Fund  
Detail Statements

**BURLINGTON TOWNSHIP SCHOOL DISTRICT**  
**Capital Projects Fund**  
**Summary Statement of Revenues, Expenditures,**  
**and Changes in Fund Balance - Budgetary Basis**  
**For the Fiscal Year ended June 30, 2017**

**Revenues and Other Financing Sources:**

Interest	\$ 35,452
Serial Bond Proceeds	10,114,000
Total revenues and other financing sources	10,149,452

**Expenditures and Other Financing (Uses):**

Purchased professional services	634,649
Construction services	1,740,958
Transfer to Debt Service Fund	35,452
Total expenditures and other financing (uses)	2,411,059

Excess (deficiency) or revenues over (under) expenditures	7,738,393
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Fund Balance - July 1, 2016	13,282
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Fund Balance - June 30, 2017	\$ 7,751,675
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**BURLINGTON TOWNSHIP SCHOOL DISTRICT**  
**Capital Projects Fund**  
**Statement of Project Revenues, Expenditures, Project Balance,**  
**and Project Status - Budgetary Basis**  
**High School - Security System**  
**From Inception and for the Fiscal Year ended June 30, 2017**

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

**BURLINGTON TOWNSHIP SCHOOL DISTRICT**  
**Capital Projects Fund**  
**Statement of Project Revenues, Expenditures, Project Balance,**  
**and Project Status - Budgetary Basis**  
**High School - Mechanical and Electrical Upgrades, Security System, Window Replacements**  
**From Inception and for the Fiscal Year ended June 30, 2017**

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

**BURLINGTON TOWNSHIP SCHOOL DISTRICT**  
**Capital Projects Fund**  
**Statement of Project Revenues, Expenditures, Project Balance,**  
**and Project Status - Budgetary Basis**  
**Hopkins School - Mechanical Upgrades, Security Upgrades, Window Replacements, Communications**  
**From Inception and for the Fiscal Year ended June 30, 2017**

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

**BURLINGTON TOWNSHIP SCHOOL DISTRICT**  
**Capital Projects Fund**  
**Statement of Project Revenues, Expenditures, Project Balance,**  
**and Project Status - Budgetary Basis**  
**BTMS @ Springside School - Security Upgrades and Communications**  
**From Inception and for the Fiscal Year ended June 30, 2017**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Total</u>	<u>Revised Authorized Costs</u>
<b>Revenues and Other Financing Sources:</b>				
State sources - SDA Grant	\$ 97,064	\$ -	\$ 97,064	\$ 97,064
Transfer from capital reserve	98,936		98,936	98,936
<b>Total revenues</b>	<b>196,000</b>		<b>196,000</b>	<b>196,000</b>
<b>Expenditures and Other Financing Uses:</b>				
Purchased professional services	14,450		14,450	14,450
Construction services				
	<b>14,450</b>		<b>14,450</b>	<b>14,450</b>
<b>Excess (deficiency) or revenues over (under) expenditures</b>	<b>\$ 181,550</b>	<b>\$ -</b>	<b>\$ 181,550</b>	<b>\$ 181,550</b>
<b>Additional project information:</b>				
Project Number	#0620-051-14-1005			
Grant Date	05/02/14			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ 196,000			
Additional Authorized Cost	\$ -			
Revised Authorized Cost	\$ 196,000			
Percentage Increase over Original Authorized Cost	0.00%			
Percentage Completion	5.00%			
Original target completion date	12/31/15			
Revised target completion date	N/A			

**BURLINGTON TOWNSHIP SCHOOL DISTRICT**  
**Capital Projects Fund**  
**Statement of Project Revenues, Expenditures, Project Balance,**  
**and Project Status - Budgetary Basis**  
**Fountain Woods School - Security Upgrades and Communications**  
**From Inception and for the Fiscal Year ended June 30, 2017**

	Prior Periods	Current Year	Total	Revised Authorized Costs
<b>Revenues and Other Financing Sources:</b>				
State sources - SDA Grant	\$ 74,283	\$ -	\$ 74,283	\$ 74,283
Transfer from capital reserve	75,717		75,717	75,717
	150,000		150,000	150,000
<b>Total revenues</b>				
<b>Expenditures and Other Financing Uses:</b>				
Purchased professional services	11,475		11,475	11,475
Construction services				
	11,475		11,475	11,475
<b>Excess (deficiency) or revenues over (under) expenditures</b>				
	\$ 138,525	\$ -	\$ 138,525	\$ 138,525

**Additional project information:**

Project Number	#0620-037-14-1004
Grant Date	05/02/14
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 150,000
Additional Authorized Cost	\$ -
Revised Authorized Cost	\$ 150,000
Percentage Increase over Original Authorized Cost	0.00%
Percentage Completion	5.00%
Original target completion date	12/31/15
Revised target completion date	N/A

**BURLINGTON TOWNSHIP SCHOOL DISTRICT**  
**Capital Projects Fund**  
**Statement of Project Revenues, Expenditures, Project Balance,**  
**and Project Status - Budgetary Basis**  
**B. Bernice Young School - Exterior Closure and HVAC**  
**From Inception and for the Fiscal Year ended June 30, 2017**

	Prior Periods	Current Year	Total	Revised Authorized Costs
<b>Revenues and Other Financing Sources:</b>				
State sources - SDA Grant	\$ 1,104,619	\$ -	\$ 1,104,619	\$ 1,104,619
Transfer from capital reserve	1,125,934		1,125,934	1,125,934
<b>Total revenues</b>	<b>2,230,553</b>		<b>2,230,553</b>	<b>2,230,553</b>
<b>Expenditures and Other Financing Uses:</b>				
Purchased professional services	203,488		203,488	203,488
Construction services	1,899,506	73,500	1,973,006	1,973,006
	<b>2,102,994</b>	<b>73,500</b>	<b>2,176,494</b>	<b>2,176,494</b>
<b>Excess (deficiency) or revenues over (under) expenditures</b>	<b>\$ 127,559</b>	<b>\$ (73,500)</b>	<b>\$ 54,059</b>	<b>\$ 54,059</b>

**Additional project information:**

Project Number	#0620-030-14-1003
Grant Date	05/02/14
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 2,230,553
Additional Authorized Cost	\$ -
Revised Authorized Cost	\$ 2,230,553
Percentage Increase over Original Authorized Cost	0.00%
Percentage Completion	10.00%
Original target completion date	12/31/15
Revised target completion date	N/A

**BURLINGTON TOWNSHIP SCHOOL DISTRICT**  
**Capital Projects Fund**  
**Statement of Project Revenues, Expenditures, Project Balance,**  
**and Project Status - Budgetary Basis**  
**Various Improvements to School Facilities**  
**From Inception and for the Fiscal Year ended June 30, 2017**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Total</u>	<u>Revised Authorized Costs</u>
<b>Revenues and Other Financing Sources:</b>				
Bond Proceeds	\$ -	\$ 10,114,000	\$ 10,114,000	\$ 10,114,000
Total revenues	<u>                    </u>	<u>10,114,000</u>	<u>10,114,000</u>	<u>10,114,000</u>
<b>Expenditures and Other Financing Uses:</b>				
Purchased professional services	211,402	634,649	846,051	846,051
Construction services	436,497	1,667,458	2,103,955	2,103,955
	<u>647,899</u>	<u>2,302,107</u>	<u>2,950,006</u>	<u>2,950,006</u>
Excess (deficiency) or revenues over (under) expenditures	<u>\$ (647,899)</u>	<u>\$ 7,811,893</u>	<u>\$ 7,163,994</u>	<u>\$ 7,163,994</u>
<b>Additional project information:</b>				
Project Number	N/A			
Grant Date	N/A			
Bond Authorization Date	12/08/15			
Bonds Authorized	\$ 10,114,000			
Bonds Issued	N/A			
Original Authorized Cost	\$ 10,114,000			
Additional Authorized Cost	\$ -			
Revised Authorized Cost	\$ 10,114,000			
Percentage Increase over Original Authorized Cost	0.00%			
Percentage Completion	10.00%			
Original target completion date	12/31/15			
Revised target completion date	N/A			

**BURLINGTON TOWNSHIP SCHOOL DISTRICT**  
**Capital Projects Fund**  
 Summary Statement of Project Expenditures  
 Year Ended June 30, 2017

Issue/Project Title	Original Date	Appropriations	Expenditures to Date		Transfer to Debt Service Fund	Unexpended Balance
			Prior Years	Current Year		
High School - Security System	10/13/10	\$ 213,677	\$ 210,273	\$ -	\$ -	\$ 3,404
High School - Mechanical and Electrical Upgrades Security System and Windows	6/20/14	2,605,062	2,582,994			22,068
Hopkins School - Mechanical Upgrades, Security Upgrades Windows and Communications	5/2/14	496,820	308,745			188,075
BTMS @ Springside School - Security Upgrades and Communications	5/2/14	196,000	14,450			181,550
Fountain Woods - Security Upgrades and Communications	5/2/14	150,000	11,475			138,525
Young School - Exterior Closure and HVAC	5/2/14	2,230,553	2,102,994	73,500		54,059
Various Improvements to School Facilities	12/8/15	10,114,000	647,899	2,302,107		7,163,994
Total		<u>\$ 16,006,112</u>	<u>\$ 5,878,830</u>	<u>\$ 2,375,607</u>	<u>\$ -</u>	<u>\$ 7,751,675</u>



Proprietary Funds  
Detail Statements

**BURLINGTON TOWNSHIP SCHOOL DISTRICT**  
**Enterprise Funds**  
Statement of Net Position  
as of June 30, 2017

	Food Service	Performing Arts Center	Total
<b>ASSETS:</b>			
Current assets:			
Cash and cash equivalents	\$ 141,720	\$ 86,501	\$ 228,221
Accounts receivable:			
State	803		803
Federal	31,956		31,956
Other	128,712	1,000	129,712
Interfund	64,496	3,130	67,626
Inventories	33,215		33,215
Total current assets	400,902	90,631	491,533
Fixed assets:			
Buildings and Improvements	376,275		376,275
Equipment	492,200		492,200
Total Fixed Assets	868,475		868,475
Less Accumulated depreciation	(546,631)		(546,631)
Total fixed assets	321,844		321,844
Total assets	\$ 722,746	\$ 90,631	\$ 813,377
<b>LIABILITIES:</b>			
Current liabilities:			
Accounts payable	\$ -	\$ -	\$ -
Unearned Revenue	27,059		27,059
Interfund payable	371,969		371,969
Total current liabilities	399,028		399,028
<b>NET POSITION:</b>			
Net investment in capital assets	321,844		321,844
Unrestricted	1,874	90,631	92,505
Total net position	\$ 323,718	\$ 90,631	\$ 414,349

**BURLINGTON TOWNSHIP SCHOOL DISTRICT**  
**Enterprise Funds**  
Statement of Revenues, Expenses and Changes in Net Position  
for the Fiscal Years ended June 30, 2017

	Food Service	Performing Arts Center	Total
<b>OPERATING REVENUES:</b>			
Local sources:			
Daily sales-reimbursable programs	\$ 532,757	\$ -	\$ 532,757
Total reimbursable programs	532,757		532,757
Daily sales-non-reimbursable programs	214,658		214,658
Special functions	26,049		26,049
Rentals		39,955	39,955
Total non-reimbursable programs	240,707	39,955	280,662
Total operating revenue	773,464	39,955	813,419
<b>OPERATING EXPENSES:</b>			
Salaries and Wages	560,237	24,602	584,839
Employee Benefits	96,102		96,102
Direct expenses	4,211		4,211
Repairs and maintenance			
Supplies and materials	43,006	23,122	66,128
Depreciation	48,073		48,073
Management fee	26,007		26,007
Cost of Sales - reimbursable programs	573,176		573,176
Cost of Sales - nonreimbursable programs	115,110		115,110
Other	5,277	10,065	15,342
Total operating expenses	1,471,199	57,789	1,528,988
Operating income (loss)	(697,735)	(17,834)	(715,569)
<b>Non-operating revenues:</b>			
State sources:			
State School Lunch Program	14,387		14,387
Federal sources:			
National School Lunch Program	448,866		448,866
National School Breakfast Program	86,139		86,139
U.S.D.A. commodities	79,702		79,702
Contributed Capital	35,800		35,800
Interest revenue	916	394	1,310
Total non-operating revenues	665,810	394	666,204
Net Income (loss)	(31,925)	(17,440)	(49,365)
Net position - July 1	355,643	108,071	463,714
Net position - June 30	\$ 323,718	\$ 90,631	\$ 414,349

**BURLINGTON TOWNSHIP SCHOOL DISTRICT**  
**Enterprise Funds**  
Statement of Cash Flows  
for the Fiscal Year ended June 30, 2017

	Food Service	Performing Arts Center	Total
Cash flows from operating activities:			
Cash receipts from customers	\$ 954,193	\$ 40,860	\$ 995,053
Cash payments to employees for services	(746,908)	(24,602)	(771,510)
Cash payments to suppliers for goods and services	(743,422)	(33,248)	(776,670)
Net cash used by operating activities	(536,137)	(16,990)	(553,127)
Cash flows from noncapital financing activities:			
Cash received from state and federal reimbursements	544,625		544,625
Net cash provided by noncapital financing activities	544,625		544,625
Cash flows from capital financing activities:			
Purchases of fixed assets			
Net cash used by capital financing activities			
Cash flows from investing activities:			
Interest on investments	916	394	1,310
Net cash provided by investing activities	916	394	1,310
Net increase (decrease) in cash and cash equivalents	9,404	(16,596)	(7,192)
Cash and cash equivalents, July 1	132,316	103,097	235,413
Cash and cash equivalents, June 30	\$ 141,720	\$ 86,501	\$ 228,221
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$ (697,735)	\$ (17,834)	\$ (715,569)
Adjustments to reconcile operating income (loss) to cash provided (used) by operating activities:			
Depreciation	48,073		48,073
Federal commodities	79,702		79,702
Change in assets and liabilities:			
(Increase)/decrease in inventory	4,622		4,622
(Increase)/decrease in accounts receivable	30,088	905	30,993
(Increase)/decrease in interfund receivable		(1)	(1)
Increase/(decrease) in accounts payable		(60)	(60)
Increase/(decrease) in Unearned Revenue	(887)		(887)
Increase/(decrease) in interfund payable			
Net cash used by operating activities	\$ (536,137)	\$ (16,990)	\$ (553,127)

**BURLINGTON TOWNSHIP SCHOOL DISTRICT**  
**Internal Service Fund**  
Statement of Net Position  
as of June 30, 2017

	<u>Governmental Activites - Internal Service Technology Service</u>
<b>ASSETS:</b>	
Current assets:	
Cash and cash equivalents	\$ -
Accounts receivable:	
Intergovernmental	<u>36,682</u>
Total current assets	<u>36,682</u>
Total assets	<u><u>\$ 36,682</u></u>
<b>LIABILITIES:</b>	
Current liabilities:	
Interfund payable	<u>36,682</u>
Total current liabilities	<u>36,682</u>
<b>NET POSITION:</b>	
Unrestricted	<u>                    </u>
Total net position	<u><u>\$ -</u></u>

**BURLINGTON TOWNSHIP SCHOOL DISTRICT**  
**Internal Service Fund**  
Statement of Revenues, Expenses and Changes in Net Position  
for the Fiscal Years ended June 30, 2017

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	<b>Governmental Activites - Internal Service Technology Service</b>
OPERATING REVENUES:	
Local sources:	
Shared Service Agreements	\$ 768,091
Total operating revenue	768,091
OPERATING EXPENSES:	
Technology Services	768,091
Total operating expenses	768,091
Operating income (loss)	
Net Income (loss)	
Net position - July 1	
Net position - June 30	\$ -

**BURLINGTON TOWNSHIP SCHOOL DISTRICT**  
**Internal Service Fund**  
Statement of Cash Flows  
for the Fiscal Year ended June 30, 2017

	<u>Governmental Activites - Internal Service Technology Service</u>
Cash flows from operating activities:	
Cash receipts from customers	\$ 768,091
Cash payments to suppliers for goods and services	<u>(768,091)</u>
Net cash used by operating activities	<u>                    </u>
Net increase (decrease) in cash and cash equivalents	
Cash and cash equivalents, July 1	<u>                    </u>
Cash and cash equivalents, June 30	<u>\$ -</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:	
Operating income (loss)	\$ -
Adjustments to reconcile operating income (loss) to cash provided (used) by operating activities:	
Change in assets and liabilities:	
(Increase)/decrease in accounts receivable	76,560
(Increase)/decrease in interfund receivable	
Increase/(decrease) in accounts payable	
Increase/(decrease) in interfund payable	<u>(76,560)</u>
Net cash used by operating activities	<u>\$ -</u>

Fiduciary Funds  
Detail Statements



**BURLINGTON TOWNSHIP SCHOOL DISTRICT**  
**Fiduciary Funds**  
 Combining Statement of Net Position  
 June 30, 2017

	Agency Funds			Employee Benefit Trust Funds	Total
	Student Activity	Other Trust	Payroll	Unemployment Compensation Insurance Fund	
<b>ASSETS:</b>					
Cash and cash equivalents	\$ 546,361	\$ -	\$ 294,784	\$ 629,133	\$ 1,470,278
Interfund receivable		59,878			59,878
<b>TOTAL ASSETS</b>	<u>\$ 546,361</u>	<u>\$ 59,878</u>	<u>\$ 294,784</u>	<u>\$ 629,133</u>	<u>\$ 1,530,156</u>
<b>LIABILITIES</b>					
<b>LIABILITIES:</b>					
Cash Overdraft	\$ -	\$ 15,853	\$ -	\$ 227	\$ 15,853
Accounts payable					227
Payroll deductions and withholdings			289,805		289,805
Interfund payable			4,979		4,979
Other trust liabilities		44,025			44,025
Due to student groups	546,361				546,361
<b>Total liabilities</b>	<u>546,361</u>	<u>59,878</u>	<u>294,784</u>	<u>227</u>	<u>901,250</u>
<b>NET POSITION</b>					
Reserved for unemployment claims and other purposes				628,906	628,906
<b>Total net position</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 628,906</u>	<u>\$ 628,906</u>

**BURLINGTON TOWNSHIP SCHOOL DISTRICT**  
**Fiduciary Fund**  
Comparative Statement of Changes in Fiduciary Net Position  
for the Fiscal Year ended June 30, 2017

	<u>Trust Funds</u> <u>Unemployment</u> <u>Compensation</u> <u>Insurance Fund</u>	<u>Total</u>
<b>REVENUES:</b>		
Local sources:		
Employee contributions	\$ 48,993	\$ 48,993
Interest on Investments	2,768	
Total Revenues	<u>51,761</u>	<u>48,993</u>
<b>EXPENDITURES:</b>		
Current Expense:		
Undistributed Expenditures:		
Unemployment claims	<u>31,219</u>	<u>31,219</u>
Total Expenditures	<u>31,219</u>	<u>31,219</u>
Excess (deficiency) of revenues over (under) expenditures)	20,542	17,774
Net Position July 1	<u>608,364</u>	<u>608,364</u>
Net Position June 30	<u>\$ 628,906</u>	<u>\$ 626,138</u>

**BURLINGTON TOWNSHIP SCHOOL DISTRICT**  
**Student Activity Agency Fund**  
 Schedule of Receipts and Disbursements  
 for the Fiscal Year ended June 30, 2017

	<u>Balance June 30, 2016</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Balance June 30, 2017</u>
Elementary Schools:				
Fountain Woods	\$ 52,133	\$ 23,602	\$ 39,513	\$ 36,222
Renaissance	9,856	26,982	31,028	5,810
Young School	9,668	4,937	8,340	6,265
Total Elementary Schools	<u>71,657</u>	<u>55,521</u>	<u>78,881</u>	<u>48,297</u>
Middle Schools:				
Hopkins Middle School	73,195	134,473	135,955	71,713
Total Middle Schools	<u>73,195</u>	<u>134,473</u>	<u>135,955</u>	<u>71,713</u>
High School:				
High School	376,836	806,307	756,792	426,351
Total High School	<u>376,836</u>	<u>806,307</u>	<u>756,792</u>	<u>426,351</u>
Total	<u>\$ 521,688</u>	<u>\$ 996,301</u>	<u>\$ 971,628</u>	<u>\$ 546,361</u>

**BURLINGTON TOWNSHIP SCHOOL DISTRICT**  
**Payroll Agency Fund**  
 Schedule of Receipts and Disbursements  
 for the Fiscal Year ended June 30, 2017

	<u>Balance June 30, 2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2017</u>
<b>ASSETS:</b>				
Cash and cash equivalents	\$ 347,124	\$ 34,698,964	\$ 34,751,304	\$ 294,784
<b>Total assets</b>	<u>\$ 347,124</u>	<u>\$ 34,698,964</u>	<u>\$ 34,751,304</u>	<u>\$ 294,784</u>
<b>LIABILITIES:</b>				
Payroll deductions and withholdings	\$ 342,698	\$ 16,192,523	\$ 16,245,416	\$ 289,805
Net payroll		18,503,539	18,503,539	
Interfund payable	4,426	2,902	2,349	4,979
<b>Total liabilities</b>	<u>\$ 347,124</u>	<u>\$ 34,698,964</u>	<u>\$ 34,751,304</u>	<u>\$ 294,784</u>

**BURLINGTON TOWNSHIP SCHOOL DISTRICT**  
**Other Trust Agency Fund**  
 Schedule of Receipts and Disbursements  
 for the Fiscal Year ended June 30, 2017

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	<u>Balance</u> <u>June 30, 2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2017</u>
<b>ASSETS:</b>				
Cash and cash equivalents				
Interfund receivable	\$ 56,989	\$ 3,942	\$ 1,053	\$ 59,878
<b>Total assets</b>	<u>\$ 56,989</u>	<u>\$ 3,942</u>	<u>\$ 1,053</u>	<u>\$ 59,878</u>
<b>LIABILITIES:</b>				
Cash overdraft	16,906		1,053	15,853
Other trust agency liabilities	<u>40,083</u>	<u>3,942</u>		<u>44,025</u>
<b>Total liabilities</b>	<u>\$ 56,989</u>	<u>\$ 3,942</u>	<u>\$ 1,053</u>	<u>\$ 59,878</u>

Long-Term Debt Schedules

**BURLINGTON TOWNSHIP SCHOOL DISTRICT**  
**General Long-Term Debt Account Group**  
 Statement of Serial Bonds  
 June 30, 2017

Issue	Date of Issue	Amount of Issue	Annual Maturities		Rate of Interest	Balance July 1, 2016	Issued	Retired	Balance June 30, 2017
			Date	Amount					
Refunding Bonds	4/1/2012	\$ 13,795,000	07/15/17	\$ 1,245,000	4.50%	\$ 12,465,000	\$ -	\$ 1,205,000	\$ 11,260,000
			07/15/18	1,290,000	3.75%				
			07/15/19	1,335,000	5.00%				
			07/15/20	1,385,000	5.00%				
			07/15/21	1,430,000	4.00%				
			07/15/22	1,485,000	4.50%				
			07/15/23	1,540,000	4.50%				
			07/15/24	1,550,000	4.40%				
Refunding Bonds	10/3/2013	13,325,000	01/15/18	420,000	2.00%	8,565,000		2,390,000	6,175,000
			01/15/18	2,000,000	5.00%				
			01/15/19	205,000	2.00%				
			01/15/19	2,000,000	5.00%				
			01/15/20	1,550,000	5.00%				
Balance Forward						\$ 21,030,000	\$ -	\$ 3,595,000	\$ 17,435,000

**BURLINGTON TOWNSHIP SCHOOL DISTRICT**  
**General Long-Term Debt Account Group**  
Statement of Serial Bonds  
June 30, 2017

Issue	Date of Issue	Amount of Issue	Annual Maturities		Rate of Interest	Balance July 1, 2016	Issued	Retired	Balance June 30, 2017
			Date	Amount					
Balance Brought Forward						\$ 21,030,000	\$ -	\$ 3,595,000	\$ 17,435,000
2016 School Bonds	7/15/2016	\$ 10,114,000	7/15/2018	\$ 600,000	1.000%		10,114,000		10,114,000
			7/15/2019	1,200,000	1.000%				
			7/15/2020	1,200,000	1.250%				
			7/15/2021	1,200,000	1.500%				
			7/15/2022	1,180,000	1.750%				
			7/15/2023	1,155,000	2.000%				
			7/15/2024	1,180,000	2.000%				
			7/15/2025	1,200,000	2.000%				
			7/15/2026	1,199,000	2.000%				
Total						<u>\$ 21,030,000</u>	<u>\$ 10,114,000</u>	<u>\$ 3,595,000</u>	<u>\$ 27,549,000</u>



**BURLINGTON TOWNSHIP SCHOOL DISTRICT**  
**Budgetary Comparison Schedule**  
**Debt Service Fund**  
**Fiscal Year Ended June 30, 2017**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>REVENUES:</b>					
Local sources:					
Local tax levy	\$ 3,466,574	\$ -	\$ 3,466,574	\$ 3,466,574	\$ -
Miscellaneous					
Total revenues - local sources	<u>3,466,574</u>		<u>3,466,574</u>	<u>3,466,574</u>	
State sources:					
Debt service aid type II	1,007,476		1,007,476	1,007,476	
Total revenues - state sources	<u>1,007,476</u>		<u>1,007,476</u>	<u>1,007,476</u>	
Total Revenues	<u>4,474,050</u>		<u>4,474,050</u>	<u>4,474,050</u>	
<b>EXPENDITURES:</b>					
Regular debt service:					
Interest on bonds	879,050		879,050	879,050	
Redemption of principal	3,595,000		3,595,000	3,595,000	
Expenses of refunding bonds					
Total Expenditures	<u>4,474,050</u>		<u>4,474,050</u>	<u>4,474,050</u>	
Excess (Deficiency) of revenues over (under) expenditures					
Other Financing Sources and (Uses):					
Transfer from Capital Projects				35,452	
Total Other Financing Sources				<u>35,452</u>	
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses):	-		-	35,452	
Fund Balance, July 1	13,870		13,870	13,870	
Fund Balance, June 30	<u>\$ 13,870</u>		<u>\$ 13,870</u>	<u>49,322</u>	

**Statistical Section**

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

**Exhibit J-1**

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Governmental activities:</b>										
Net investment in capital assets	\$ 22,517,472	\$ 25,976,649	\$ 20,705,914	\$ 22,876,427	\$ 26,690,199	\$ 28,803,444	\$ 31,090,573	\$ 36,972,907	\$ 40,367,864	\$ 33,307,706
Restricted for:	-	-	-	-	-	-	-	-	-	-
Capital projects	3,160,892	2,660,697	2,523,398	3,063,652	2,232,176	2,966,623	5,683,186	3,004,047	2,026,604	9,545,718
Debt service	(247,917)	(801,361)	(839,652)	-	-	-	-	182,209	13,870	49,322
Other purposes	5,918,231	7,186,997	3,573,930	2,882,023	3,534,938	3,701,179	3,474,621	2,774,416	2,818,246	3,078,738
Unrestricted	23,426	(930,620)	(861,535)	(1,326,401)	(967,317)	(1,788,509)	(1,737,575)	(11,375,681)	(11,270,635)	(11,736,951)
<b>Total governmental activities net position</b>	<b>\$ 31,372,104</b>	<b>\$ 34,092,362</b>	<b>\$ 25,102,055</b>	<b>\$ 27,495,701</b>	<b>\$ 31,489,996</b>	<b>\$ 33,682,737</b>	<b>\$ 38,510,805</b>	<b>\$ 31,557,898</b>	<b>\$ 33,955,949</b>	<b>\$ 34,244,533</b>
<b>Business-type activities:</b>										
Net investment in capital assets	\$ 488,002	\$ 438,572	\$ 423,113	\$ 407,954	\$ 392,795	\$ 377,636	\$ 362,477	\$ 347,772	\$ 334,117	\$ 321,844
Unrestricted	196,722	192,518	215,713	198,898	167,290	164,406	214,916	191,016	129,597	92,505
<b>Total business-type activities net position</b>	<b>\$ 684,724</b>	<b>\$ 631,090</b>	<b>\$ 638,826</b>	<b>\$ 606,852</b>	<b>\$ 560,085</b>	<b>\$ 542,042</b>	<b>\$ 577,393</b>	<b>\$ 538,788</b>	<b>\$ 463,714</b>	<b>\$ 414,349</b>
<b>District-wide:</b>										
Net investment in capital assets	\$ 23,005,474	\$ 26,415,221	\$ 21,129,027	\$ 23,284,381	\$ 27,082,994	\$ 29,181,080	\$ 31,453,050	\$ 37,320,679	\$ 40,701,981	\$ 33,629,550
Restricted:										
Capital projects	3,160,892	2,660,697	2,523,398	3,063,652	2,232,176	2,966,623	5,683,186	3,004,047	2,026,604	9,545,718
Debt service	(247,917)	(801,361)	(839,652)	-	-	-	-	182,209	13,870	49,322
Other purposes	5,918,231	7,186,997	3,573,930	2,882,023	3,534,938	3,701,179	3,474,621	2,774,416	2,818,246	3,078,738
Unrestricted	220,148	(738,102)	(645,822)	(1,127,503)	(800,027)	(1,624,103)	(1,522,659)	(11,184,665)	(11,141,038)	(11,644,446)
<b>Total district net position</b>	<b>\$ 32,056,828</b>	<b>\$ 34,723,452</b>	<b>\$ 25,740,881</b>	<b>\$ 28,102,553</b>	<b>\$ 32,050,081</b>	<b>\$ 34,224,779</b>	<b>\$ 39,088,198</b>	<b>\$ 32,096,686</b>	<b>\$ 34,419,663</b>	<b>\$ 34,658,882</b>

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

Exhibit J-2

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Expenses:</b>										
<b>Governmental activities:</b>										
Instruction:										
Regular	\$ 17,591,711	\$ 18,863,496	\$ 19,998,369	\$ 17,473,133	\$ 17,648,544	\$ 18,587,884	\$ 18,548,395	\$ 19,079,235	\$ 19,510,826	\$ 19,835,384
Special education	5,391,006	6,042,930	6,496,898	6,928,846	7,390,064	7,859,851	6,365,974	6,556,937	6,586,368	6,857,960
Other instruction	1,286,152	1,619,940	1,809,304	1,736,065	1,819,083	1,956,105	2,067,717	2,044,938	2,096,426	2,240,798
Support Services:										
Tuition	2,023,950	1,797,027	2,236,280	2,548,267	2,939,828	2,296,865	2,228,530	2,133,509	2,492,883	2,721,679
Student & instruction related services	4,874,624	5,282,806	5,727,629	5,465,268	5,371,027	5,994,396	7,795,640	8,006,836	8,074,909	8,402,913
School administrative services	1,984,343	2,155,806	2,260,879	2,099,864	2,065,641	2,170,709	2,264,061	2,008,566	1,998,980	2,279,415
General and business administrative services	1,260,007	1,354,085	1,476,548	1,383,470	1,559,917	1,715,221	1,806,085	2,739,238	3,231,349	2,139,713
Plant operations and maintenance	4,973,358	4,083,205	11,087,692	5,250,208	4,682,876	5,494,750	6,632,987	6,770,069	6,280,321	7,744,288
Pupil transportation	2,520,410	2,623,668	2,713,136	2,566,828	2,611,623	2,662,537	2,726,822	2,847,978	2,853,287	2,832,214
Unallocated employee benefits	11,313,384	10,412,728	11,905,328	11,919,086	12,904,618	14,741,082	14,460,219	14,637,894	15,249,854	16,613,737
Special schools	92,057	213,353	-							
Charter schools			72,937	120,663	124,018	52,122	37,196	9,035	18,393	10,005
Interest on long-term debt	2,143,243	2,041,060	1,898,026	1,759,084	1,443,649	1,523,662	908,696	870,560	745,475	745,241
Unallocated depreciation and amortization	161,476	161,978	188,552	132,853	143,678	114,186	214,399	76,577	130,504	126,795
Total governmental activities expenses	55,615,721	56,652,082	67,871,578	59,383,635	60,704,566	65,169,370	66,056,721	67,781,372	69,269,575	72,550,142
<b>Business-type activities:</b>										
Community Arts Center	19,309	46,847	31,846	27,648	43,668	47,437	52,367	65,689	63,499	57,789
Food Service	1,382,454	1,383,332	1,406,827	1,581,505	1,729,954	1,657,407	1,671,370	1,628,871	1,683,937	1,471,199
Total business-type activities expense	1,401,763	1,430,179	1,438,673	1,609,153	1,773,622	1,704,844	1,723,737	1,694,560	1,747,436	1,528,988
Total district expenses	\$ 57,017,484	\$ 58,082,261	\$ 69,310,251	\$ 60,992,788	\$ 62,478,188	\$ 66,874,214	\$ 67,780,458	\$ 69,475,932	\$ 71,017,011	\$ 74,079,130
<b>Program Revenues:</b>										
<b>Governmental activities:</b>										
Operating grants and contributions	\$ 6,917,517	\$ 5,588,518	\$ 6,434,197	\$ 6,624,272	\$ 6,410,954	\$ 7,675,389	\$ 7,057,093	\$ 6,518,042	\$ 7,394,673	\$ 9,351,983
Charges for service								653,043	833,398	232,010
Total governmental activities program revenues	6,917,517	5,588,518	6,434,197	6,624,272	6,410,954	7,675,389	7,057,093	7,171,085	8,228,071	9,583,993

(Continued)

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

Exhibit J-2

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Business-type activities:</b>										
Charges for services:										
Performing Arts Center	\$ 31,008	\$ 44,027	\$ 36,706	\$ 49,346	\$ 30,420	\$ 46,510	\$ 40,710	\$ 60,835	\$ 41,250	\$ 39,955
Food service	993,391	955,229	1,007,202	1,085,543	1,151,603	1,072,889	1,155,350	999,327	974,981	773,464
Operating grants and contributions	333,050	376,368	399,517	438,090	542,082	566,926	562,674	595,051	655,224	629,094
Total business type activities program revenues	<u>1,357,449</u>	<u>1,375,624</u>	<u>1,443,425</u>	<u>1,572,979</u>	<u>1,724,105</u>	<u>1,686,325</u>	<u>1,758,734</u>	<u>1,655,213</u>	<u>1,671,455</u>	<u>1,442,513</u>
Total district program revenues	<u>\$ 8,274,966</u>	<u>\$ 6,964,142</u>	<u>\$ 7,877,622</u>	<u>\$ 8,197,251</u>	<u>\$ 8,135,059</u>	<u>\$ 9,361,714</u>	<u>\$ 8,815,827</u>	<u>\$ 8,826,298</u>	<u>\$ 9,899,526</u>	<u>\$ 11,026,506</u>
<b>Net (Expense)/Revenue:</b>										
Governmental activities	\$ (48,698,204)	\$ (51,063,564)	\$ (61,437,381)	\$ (52,759,363)	\$ (54,293,612)	\$ (57,493,981)	\$ (58,999,628)	\$ (60,610,287)	\$ (61,041,504)	\$ (62,966,149)
Business-type activities	(44,314)	(54,555)	4,752	(36,174)	(49,517)	(18,519)	34,997	(39,347)	(75,981)	(86,475)
Total district-wide net expense	<u>\$ (48,742,518)</u>	<u>\$ (51,118,119)</u>	<u>\$ (61,432,629)</u>	<u>\$ (52,795,537)</u>	<u>\$ (54,343,129)</u>	<u>\$ (57,512,500)</u>	<u>\$ (58,964,631)</u>	<u>\$ (60,649,634)</u>	<u>\$ (61,117,485)</u>	<u>\$ (63,052,624)</u>
<b>General Revenues and Other Changes in Net Position:</b>										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 27,507,030	\$ 32,233,166	\$ 32,249,821	\$ 33,393,814	\$ 34,745,745	\$ 35,829,683	\$ 37,196,328	\$ 38,033,254	\$ 38,793,919	\$ 39,569,797
Taxes levied for debt service	2,916,758	2,994,462	3,625,196	3,903,689	3,873,418	3,897,792	3,800,613	3,539,220	3,306,596	3,466,574
Unrestricted grants and contributions	19,402,329	17,595,704	15,762,374	17,467,163	19,149,798	19,476,178	21,617,556	20,482,740	20,421,926	19,857,334
State aid restricted for debt service	-	-	-	-	-	-	-	-	-	-
Investment earnings	102,416	55,722	38,312	53,167	35,967	2,248	2,654	890	2,784	43,450
Miscellaneous income	1,287,395	904,768	771,371	335,176	482,979	849,601	1,210,545	669,211	914,330	317,578
Transfers	-	-	-	-	-	-	-	-	-	-
Total governmental activities	<u>51,215,928</u>	<u>53,783,822</u>	<u>52,447,074</u>	<u>55,153,009</u>	<u>58,287,907</u>	<u>60,055,502</u>	<u>63,827,696</u>	<u>62,725,315</u>	<u>63,439,555</u>	<u>63,254,733</u>
Business-type activities:										
Investment earnings	4,053	921	2,984	4,200	2,750	476	354	742	907	1,310
Miscellaneous income	103,514	-	-	-	-	-	-	-	-	35,800
Total business-type activities	<u>107,567</u>	<u>921</u>	<u>2,984</u>	<u>4,200</u>	<u>2,750</u>	<u>476</u>	<u>354</u>	<u>742</u>	<u>907</u>	<u>37,110</u>
Total district-wide	<u>\$ 51,323,495</u>	<u>\$ 53,784,743</u>	<u>\$ 52,450,058</u>	<u>\$ 55,157,209</u>	<u>\$ 58,290,657</u>	<u>\$ 60,055,978</u>	<u>\$ 63,828,050</u>	<u>\$ 62,726,057</u>	<u>\$ 63,440,462</u>	<u>\$ 63,291,843</u>
<b>Change in Net Position:</b>										
Governmental activities	\$ 2,517,724	\$ 2,720,258	\$ (8,990,307)	\$ 2,393,646	\$ 3,994,295	\$ 2,561,521	\$ 4,828,068	\$ 2,115,028	\$ 2,398,051	\$ 288,584
Business-type activities	63,253	(53,634)	7,736	(31,974)	(46,767)	(18,043)	35,351	(38,605)	(75,074)	(49,365)
Total district-wide	<u>\$ 2,580,977</u>	<u>\$ 2,666,624</u>	<u>\$ (8,982,571)</u>	<u>\$ 2,361,672</u>	<u>\$ 3,947,528</u>	<u>\$ 2,543,478</u>	<u>\$ 4,863,419</u>	<u>\$ 2,076,423</u>	<u>\$ 2,322,977</u>	<u>\$ 239,219</u>

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

Exhibit J-3

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Fund:										
Reserved for:										
Encumbrances	\$ 38,610	\$ 26,107	\$ 221,326	\$ 161,820	\$ 48,437	\$ 151,380	\$ -	\$ 25,001	\$ 191,126	\$ 279,304
Capital reserve	902,466	1,937,273	1,667,959	1,627,549	2,035,340	2,924,446	1,300,156	1,707,921	2,016,726	1,794,043
Maintenance reserve		100,000	-	200,000	546,000	946,000	946,000	946,000	946,000	1,419,000
Excess surplus	3,532,849	3,450,510	-	320,203	257,917	205,428	-	-	-	-
Excess surplus - designated for subsequent year's expenditures	2,315,891	3,532,849	3,352,604	-	322,773	257,917	205,428	-	-	-
Legally restricted										
ARRA/SEMI- Unreserved - designated for subsequent year's expenditures								21,368	-	-
Unreserved - designated for subsequent year's expenditures	36,681	77,531	-	2,200,000	2,351,131	2,085,947	2,095,157	1,782,047	1,677,716	1,380,434
Unreserved	395,768	(281,583)	(300,778)	273,238	306,897	(44,754)	(300,651)	(481,977)	(429,709)	(205,080)
Total general fund	<u>\$ 7,222,265</u>	<u>\$ 8,842,687</u>	<u>\$ 4,941,111</u>	<u>\$ 4,782,810</u>	<u>\$ 5,868,495</u>	<u>\$ 6,526,364</u>	<u>\$ 4,246,090</u>	<u>\$ 4,000,360</u>	<u>\$ 4,401,859</u>	<u>\$ 4,667,701</u>
All Other Governmental Funds										
Reserved:										
Encumbrances	\$ 1,630,965	\$ 249,755	\$ -	\$ 918,630	\$ 149,493	\$ 18,971	\$ 2,373,716	\$ 463,005	\$ 3,404	\$ 4,658,200
Unreserved - designated for subsequent year's expenditures										\$ 13,870
Unreserved, reported in:										
Special revenue fund	(5,800)	-	-	-	-	-	-	-	-	-
Capital projects fund	627,461	473,669	855,439	517,473	47,343	23,206	2,009,314	833,121	9,878	3,093,475
Debt service fund	708,666	107,168	4,752	-	8,680	54,507	228,036	182,209	13,870	35,452
Total all other governmental funds	<u>\$ 2,961,292</u>	<u>\$ 830,592</u>	<u>\$ 860,191</u>	<u>\$ 1,436,103</u>	<u>\$ 205,516</u>	<u>\$ 96,684</u>	<u>\$ 4,611,066</u>	<u>\$ 1,478,335</u>	<u>\$ 27,152</u>	<u>\$ 7,800,997</u>

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

Exhibit J-4

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Revenues</b>										
Tax levy	\$ 34,641,833	\$ 35,227,628	\$ 35,875,017	\$ 37,297,503	\$ 38,619,163	\$ 39,727,475	\$ 40,996,941	\$ 41,572,474	\$ 42,100,515	\$ 43,036,371
Tuition charges	80,806	534,292	516,165	192,341	244,212	403,855	551,663	338,678	492,487	187,449
Transportation charges	18,208	65,843	97,481	52,842	11,255	56,806	31,509	56,438	27,988	44,561
Interest earnings	325,459	55,722	38,312	53,167	35,967	2,248	2,654	890	2,784	43,450
Miscellaneous	965,338	307,816	161,366	112,066	290,874	455,082	682,342	293,340	402,384	339,160
State sources	20,938,975	22,063,488	17,878,623	22,535,771	23,547,311	25,766,255	27,337,752	25,634,781	26,450,811	27,745,455
Federal sources	1,162,826	1,117,551	4,314,307	1,533,591	1,950,079	1,319,170	1,281,928	1,346,756	1,357,259	1,442,280
<b>Total revenue</b>	<b>58,133,445</b>	<b>59,372,340</b>	<b>58,881,271</b>	<b>61,777,281</b>	<b>64,698,861</b>	<b>67,730,891</b>	<b>70,884,789</b>	<b>69,243,357</b>	<b>70,834,228</b>	<b>72,838,726</b>
<b>Expenditures</b>										
<b>Instruction</b>										
Regular Instruction	16,633,664	17,731,137	17,968,505	15,879,162	16,156,784	16,891,831	16,803,273	16,890,650	17,543,878	18,001,937
Special education instruction	5,391,006	6,042,930	6,496,898	6,928,846	7,390,064	7,859,851	6,365,974	6,556,937	6,586,368	6,857,960
Other special instruction	1,286,152	1,619,940	1,809,304	1,736,065	1,819,083	1,956,105	2,067,717	2,044,938	2,096,426	2,240,798
Other instruction	-	-	-	-	-	-	-	-	-	-
<b>Support Services:</b>										
Tuition	2,023,950	1,797,027	2,236,280	2,548,267	2,939,828	2,296,865	2,228,530	2,133,509	2,492,883	2,721,679
Student & instruction related services	4,874,624	5,282,806	5,727,629	5,465,268	5,371,027	5,994,396	7,795,640	8,006,836	8,074,909	8,402,913
School administrative services	1,863,023	1,964,998	1,953,319	1,903,703	1,849,768	1,942,336	2,024,011	2,008,566	1,998,980	2,025,825
General and business admin. services	1,260,007	1,354,085	1,476,548	1,383,470	1,559,917	1,715,221	1,806,085	1,840,134	2,136,944	2,139,713
Plant operations and maintenance	4,090,850	4,130,816	4,449,035	4,818,319	4,672,305	5,003,333	5,485,395	5,650,857	5,679,619	5,709,738
Pupil transportation	2,520,410	2,623,668	2,713,136	2,566,828	2,611,623	2,662,537	2,726,822	2,847,978	2,853,287	2,832,214
Other support services	11,313,384	10,412,728	11,905,328	11,919,086	12,904,618	14,741,082	14,460,219	14,668,754	15,404,545	16,049,868
Special Schools	92,057	213,353	-	-	-	-	-	-	-	-
Charter School	-	-	72,937	120,663	124,018	52,122	37,196	9,035	18,393	10,005
Capital outlay	4,829,936	1,981,977	742,178	949,767	2,354,764	985,719	2,019,066	5,405,499	2,486,655	3,446,339
Debt service:	-	-	-	-	-	-	-	-	-	-
Principal	2,730,000	2,890,000	3,240,000	3,320,000	3,400,000	3,755,000	3,680,000	3,485,000	3,525,000	3,595,000
Interest and other charges	2,201,951	2,089,114	1,962,151	1,820,226	1,828,983	1,325,456	1,287,496	1,073,125	986,025	879,050
<b>Total expenditures</b>	<b>61,111,014</b>	<b>60,134,579</b>	<b>62,753,248</b>	<b>61,359,670</b>	<b>64,982,782</b>	<b>67,181,854</b>	<b>68,787,424</b>	<b>72,621,818</b>	<b>71,883,912</b>	<b>74,913,039</b>
<b>Excess (Deficiency) of revenues over (under) expenditures</b>	<b>(2,977,569)</b>	<b>(762,239)</b>	<b>(3,871,977)</b>	<b>417,611</b>	<b>(283,921)</b>	<b>549,037</b>	<b>2,097,365</b>	<b>(3,378,461)</b>	<b>(1,049,684)</b>	<b>(2,074,313)</b>
<b>Other Financing sources (uses)</b>										
Proceeds from borrowing	-	251,960	-	-	144,306	-	14,540,387	-	-	10,114,000
Accounts receivable cancelled	-	-	-	-	(5,287)	-	(14,403,644)	-	-	-
Transfers in	102,416	57,477	279,162	551,171	208,680	-	2,422,137	970,500	13,870	35,452
Transfers out	(102,416)	(57,477)	(279,162)	(551,171)	(208,680)	-	(2,422,137)	(970,500)	(13,870)	(35,452)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>251,960</b>	<b>-</b>	<b>-</b>	<b>139,019</b>	<b>-</b>	<b>136,743</b>	<b>-</b>	<b>-</b>	<b>10,114,000</b>
<b>Net change in fund balances</b>	<b>\$ (2,977,569)</b>	<b>\$ (510,279)</b>	<b>\$ (3,871,977)</b>	<b>\$ 417,611</b>	<b>\$ (144,902)</b>	<b>\$ 549,037</b>	<b>\$ 2,234,108</b>	<b>\$ (3,378,461)</b>	<b>\$ (1,049,684)</b>	<b>\$ 8,039,687</b>
<b>Debt service as a percentage of noncapital expenditures</b>	<b>8.76%</b>	<b>8.56%</b>	<b>8.39%</b>	<b>8.51%</b>	<b>8.35%</b>	<b>7.67%</b>	<b>7.44%</b>	<b>6.78%</b>	<b>6.50%</b>	<b>6.26%</b>

Source: District records

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

**Exhibit J-5**

Fiscal Year Ending June 30,	Interest on Investments	Transportation	Tuition	Refunds	Rentals	Shared Services	Donations	Preschool Program Fees	Miscellaneous	Total
2008	\$ 223,043	\$ 18,208	\$ 80,806	\$ 926,080	\$ 7,800	\$ -	\$ -	\$ -	\$ 31,458	\$ 1,287,395
2009	50,970	65,843	534,292	294,903	7,200				2,530	955,738
2010	28,464	97,481	516,165	84,786	7,000			63,487	2,452	799,835
2011	42,406	52,842	192,341	15,398	53,774			18,000	2,821	377,582
2012	28,177	244,212	11,255	99,785	83,084		13,300	25,400	5,943	511,156
2013	8,101	56,806	403,855	31,459	70,269			20,300	261,059	851,849
2014	6,337	31,509	551,663	59,812	125,674	384,833		20,800	29,917	1,210,545
2015	20,896	56,438	338,678	63,624	105,560	25,416		21,435	38,054	670,101
2016	20,848	27,988	492,487	91,573	64,730	37,219	800	37,000	144,469	917,114
2017	69,155	44,561	187,449	79,380	64,820	34,093	-	26,100	87,480	593,038
	<u>\$ 498,397</u>	<u>\$ 695,888</u>	<u>\$ 3,308,991</u>	<u>\$ 1,746,800</u>	<u>\$ 589,911</u>	<u>\$ 481,561</u>	<u>\$ 14,100</u>	<u>\$ 232,522</u>	<u>\$ 606,183</u>	<u>\$ 8,174,353</u>

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Source: District records



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

Exhibit J-6

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities a	Net Valuation Taxable	Tax-Exempt Property	Total Direct School Tax Rate b	Estimated Actual (County Equalized) Value
2008	\$ 63,418,950	\$1,676,485,258	\$ 4,835,000	\$ 1,762,250	\$ 383,155,900	\$ 198,590,200	\$ 55,090,000	\$2,383,337,558	\$ 3,945,609	\$2,387,283,167	\$ 238,151,750	\$ 1.475	\$ 2,959,089,855
2009	60,892,900	1,682,202,658	4,835,000	824,400	354,987,100	231,471,100	55,090,000	2,390,303,158	4,411,793	2,394,714,951	241,617,150	1.498	2,859,956,299
2010	58,070,100	1,686,539,858	5,221,800	893,100	345,873,600	231,680,600	55,090,000	2,383,369,058	4,890,705	2,388,259,763	248,407,150	1.561	2,741,357,925
2011	62,090,000	1,686,245,058	2,119,300	893,100	345,198,250	223,132,600	55,090,000	2,374,768,308	4,396,827	2,379,165,135	252,726,950	1.624	2,666,755,461
2012	63,813,100	1,539,973,957	2,119,300	868,700	342,544,250	219,982,600	55,090,000	2,224,391,907	4,662,239	2,229,054,146	248,770,450	1.782	2,324,940,541
2013	67,610,200	1,527,747,957	2,021,300	874,900	339,142,450	228,562,600	54,290,000	2,220,269,407	3,498,570	2,223,767,977	252,810,450	1.844	2,260,097,655
2014	61,935,100	1,530,989,757	1,599,800	888,400	333,579,550	224,082,200	54,065,000	2,207,139,807	2,575,429	2,209,715,236	252,409,450	1.881	2,241,817,759
2015	58,134,200	1,537,823,757	1,599,800	857,400	297,699,900	239,808,300	54,065,000	2,189,988,357	2,566,194	2,192,554,551	254,308,450	1.920	2,293,204,680
2016	56,600,700	1,559,843,767	1,591,800	785,000	300,559,900	240,522,900	54,065,000	2,213,969,067	2,238,278	2,212,207,335	256,672,750	1.946	2,521,626,938
2017	54,232,200	1,604,295,700	1,626,000	606,900	313,796,700	260,409,600	65,984,400	2,300,951,500	2,716,695	2,303,668,195	343,987,900	1.907	2,452,521,692

Source: Municipal Tax Assessor

**Note:**

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

Reassessment occurs when ordered by the County Board of Taxation

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

b Tax rates are per \$100.

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

Exhibit J-7

Fiscal Year Ended June 30,	Burlington School District Direct Rate			Overlapping Rates			Total Direct and Overlapping Tax Rate
	Basic Rate	General Obligation Debt Service	Total Direct	Township of Burlington	Burlington County	Fire District	
2008	\$ 1.350	\$ 0.125	\$ 1.475	\$ 0.334	\$ 0.480	\$ 0.065	\$ 2.354
2009	1.347	0.151	1.498	0.351	0.454	0.067	2.370
2010	1.398	0.163	1.561	0.382	0.435	0.069	2.447
2011	1.461	0.163	1.624	0.410	0.422	0.070	2.526
2012	1.607	0.175	1.782	0.453	0.392	0.077	2.704
2013	1.673	0.171	1.844	0.483	0.381	0.078	2.786
2014	1.721	0.160	1.881	0.496	0.384	0.079	2.840
2015	1.769	0.151	1.920	0.514	0.431	0.083	2.948
2016	1.797	0.149	1.946	0.513	0.456	0.085	3.000
2017	1.763	0.144	1.907	0.523	0.426	0.085	2.941

Source: Municipal Tax Collector

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

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

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

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

**Exhibit J-8**

Taxpayer	2017		Taxpayer	2008	
	Taxable Assessed Value	% of Total District Net Assessed Value		Taxable Assessed Value	% of Total District Net Assessed Value
Whitesell, Inc.	\$ 69,628,400	3.02%	Whitesell, Inc.	\$ 78,446,000	3.29%
1900 River Road, LLC	42,595,400	1.85%	NGP Capital Partners	40,000,000	1.68%
Midmall Resources LP	37,523,800	1.63%	Midmall Resources	26,000,000	1.09%
Cole BJ Burlington NJ LLC	30,876,000	1.34%	Burlington Coat Factory	24,600,000	1.03%
Stag Burlington, LLC	27,374,500	1.19%	Burlington Center	20,500,000	0.86%
Burlington Coat Factory Warehouse	26,516,800	1.15%	Sunset Associates	18,500,000	0.77%
Geriatric & Medical Services	20,518,800	0.89%	130 Holdings, LLC	18,330,000	0.77%
Sunset Associates	19,237,500	0.84%	JS Hovanian	13,400,000	0.56%
Northgate Village Apartments	16,262,600	0.71%	Northgate Village Realty	13,270,000	0.56%
Towne Crossing	12,747,900	0.55%	Willow Point Apts.	11,010,000	0.46%
<b>Total</b>	<b>\$ 303,281,700</b>	<b>13.17%</b>		<b>\$ 264,056,000</b>	<b>11.06%</b>

**Source:** Municipal Tax Assessor

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

**Exhibit J-9**

Fiscal Year Ended June 30,	Taxes Levied for the Calendar Year	Collected within the Fiscal Year of the Levy <sup>a</sup>		Collections in Subsequent Years
		Amount	Percentage of Levy	
2008	\$ 34,641,833	\$ 34,641,833	100.00%	-
2009	35,227,628	35,227,628	100.00%	-
2010	35,875,017	35,875,017	100.00%	-
2011	37,297,503	37,297,503	100.00%	-
2012	38,619,163	38,619,163	100.00%	-
2013	39,727,475	39,727,475	100.00%	-
2014	40,996,941	40,996,941	100.00%	-
2015	41,572,474	41,572,474	100.00%	-
2016	42,100,515	42,100,515	100.00%	-
2017	43,036,371	43,036,371	100.00%	-

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

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

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

Exhibit J-10

Fiscal Year Ended June 30,	Governmental Activities				Business-Type Activities		Percentage of Personal Income <sup>a</sup>	Per Capita <sup>b</sup>
	General Obligation Bonds	Unfunded Pension Liability	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases	Total District		
2008	\$ 49,253,000		\$ 505,000			\$ 49,758,000	4.88%	\$ 2,336
2009	46,363,000		255,000			46,618,000	4.59%	2,185
2010	43,123,000		340,852			43,463,852	4.00%	1,921
2011	39,803,000		249,001			40,052,001	3.55%	1,772
2012	36,230,000		152,717			36,382,717	3.13%	1,610
2013	32,475,000		51,772			32,526,772	2.78%	1,438
2014	28,040,000		-			28,040,000	2.30%	1,238
2015	24,555,000		-			24,555,000	1.95%	1,076
2016	21,030,000		-			21,030,000	c	925
2017	27,549,000		-			27,549,000	c	c

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

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

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

**Exhibit J-11**

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value <sup>a</sup> of Property	Per Capita <sup>b</sup>
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2008	\$ 49,253,000	\$ -	\$ 49,253,000	2.06%	\$ 2,312
2009	46,363,000		46,363,000	1.94%	2,174
2010	43,123,000		43,123,000	1.81%	1,906
2011	39,803,000		39,803,000	1.67%	1,760
2012	36,230,000		36,230,000	1.63%	1,603
2013	32,475,000		32,475,000	1.46%	1,436
2014	28,040,000		28,040,000	1.27%	1,238
2015	24,555,000		24,555,000	1.12%	1,076
2016	21,030,000		21,030,000	0.95%	925
2017	27,549,000		27,549,000	1.20%	c

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

**a** See Exhibit J-6 for property tax data.

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

**c** Not available

**Burlington Township School District  
 Ratios of Overlapping Governmental Activities Debt  
 As of December 31, 2016**

**Exhibit J-12**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable <sup>a</sup></u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes:			
Township of Burlington	\$ 14,230,990	100.000%	\$ 14,230,990
Burlington County General Obligation Debt	314,942,084	5.418%	17,063,562
			31,294,552
<b>Burlington Township School District Direct Debt</b>			<b>29,939,000</b>
<b>Total direct and overlapping debt</b>			<b>\$ 61,233,552</b>

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

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

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

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

Exhibit J-13

Legal Debt Margin Calculation for Fiscal Year 2017

	Equalized valuation basis	
	2014	2,296,233,674
	2015	2,478,764,411
	2016	2,391,741,404
	<b>[A]</b>	<u>\$ 7,166,739,489</u>
Average equalized valuation of taxable property	<b>[A/3]</b>	\$ 2,388,913,163
Debt limit (4% of average equalized valuation)	<b>[B]</b>	95,556,527 <sup>a</sup>
Net bonded school debt	<b>[C]</b>	27,549,000
Legal debt margin	<b>[B-C]</b>	<u>\$ 68,007,527</u>

Fiscal Year

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Debt limit	\$ 106,981,689	\$ 112,475,672	\$ 113,023,058	\$ 109,495,779	\$ 104,584,802	\$ 98,190,690	\$ 92,645,635	\$ 90,450,087	\$ 93,533,058	\$ 95,556,527
Total net debt applicable to limit	<u>49,253,000</u>	<u>46,363,000</u>	<u>43,123,000</u>	<u>39,803,000</u>	<u>36,230,000</u>	<u>32,475,000</u>	<u>28,040,000</u>	<u>24,555,000</u>	<u>21,030,000</u>	<u>27,549,000</u>
Legal debt margin	<u>\$ 57,728,689</u>	<u>\$ 66,112,672</u>	<u>\$ 69,900,058</u>	<u>\$ 69,692,779</u>	<u>\$ 68,354,802</u>	<u>\$ 65,715,690</u>	<u>\$ 64,605,635</u>	<u>\$ 65,895,087</u>	<u>\$ 72,503,058</u>	<u>\$ 68,007,527</u>
Total net debt applicable to the limit as a percentage of debt limit	46.04%	41.22%	38.15%	36.35%	34.64%	33.07%	30.27%	27.15%	22.48%	28.83%

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

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



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

**Exhibit J-14**

<u>Year</u>	<u>Population <sup>a</sup></u>	<u>Personal Income <sup>b</sup></u>	<u>Per Capita Personal Income <sup>c</sup></u>	<u>Unemployment Rate <sup>d</sup></u>
2008	21,305	\$1,018,719,880	\$ 47,816	5.1%
2009	21,331	1,016,400,819	47,649	8.9%
2010	22,622	1,086,919,234	48,047	9.4%
2011	22,609	1,129,432,595	49,955	8.5%
2012	22,596	1,161,208,440	51,390	9.5%
2013	22,617	1,171,221,345	51,785	9.5%
2014	22,652	1,217,477,044	53,747	6.2%
2015	22,826	1,260,611,502	55,227	5.2%
2016	22,747	e	e	5.2%
2017	e	e	e	e

**Source:**

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

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

**Exhibit J-16**

<u>Function/Program</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Instruction										
Regular	268	268	269	270	237	237	236	239	236	240
Special education	67	71	73	72	122	127	115	110	111	102
Other special education										
Vocational										
Other instruction										
Nonpublic school programs										
Adult/continuing education programs										
Support Services:										
Student & instruction related services	88	78	81	81	86	97	97	79	75	75
School administrative services	42	37	40	38	33	27	27	27	27	27
General and business administrative services	2	3	3	3	3	3	3	3	3	3
Plant operations and maintenance	5	5	5	5	5	5	5	5	5	6
Pupil transportation	10	12	12	10	11	11	11	11	11	11
Business and other support services	11	10	10	11	8	8	8	7	6	8
Special Schools										
Food Service										
Child Care										
Total	<u>493</u>	<u>484</u>	<u>493</u>	<u>490</u>	<u>505</u>	<u>515</u>	<u>502</u>	<u>481</u>	<u>474</u>	<u>472</u>

**Source:** District Personnel Records

Burlington Township School District  
 Operating Statistics,  
 Last Ten Fiscal Years

Exhibit J-17

Fiscal Year	Enrollment	Operating Expenditures <sup>a</sup>	Cost Per Pupil	Percentage Change	Teaching Staff <sup>b</sup>	Pupil/Teacher Ratio			Average Daily Enrollment (ADE) <sup>c</sup>	Average Daily Attendance (ADA) <sup>c</sup>	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School	Senior High School				
2008	4,164	\$ 51,349,127	\$ 12,332	9.15%	335	18:1	13:1	13:1	4,179	3,986	-0.71%	95.38%
2009	4,160	53,173,488	12,782	3.65%	339	18:1	13:1	13:1	4,169	3,970	-2.39%	95.23%
2010	4,190	56,808,919	13,558	6.07%	342	18:1	13:1	13:1	4,055	3,867	-2.73%	95.36%
2011	4,097	55,269,677	13,490	-0.50%	342	18:1	13:1	13:1	4,104	3,926	1.21%	95.66%
2012	4,095	57,399,035	14,017	3.91%	359	18:1	13:1	13:1	4,061	3,886	-1.05%	95.69%
2013	4,027	61,115,679	15,176	3.91%	364	18:1	13:1	13:1	4,021	3,835	-0.98%	95.37%
2014	4,032	61,800,862	15,328	1.00%	351	18:1	13:1	13:1	4,043	3,857	0.54%	95.40%
2015	3,985	62,658,194	15,724	2.58%	349	18:1	13:1	13:1	3,994	3,804	-1.21%	95.26%
2016	3,930	64,886,232	16,510	5.01%	347	18:1	13:1	13:1	3,931	3,768	-1.58%	95.85%
2017	3,878	66,992,650	17,275	4.63%	347	18:1	13:1	13:1	3,869	3,700	-1.58%	95.63%

Sources: District records

Note: Enrollment based on annual October district count.

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

Burlington Township School District  
 School Building Information  
 Last Ten Fiscal Years

Exhibit J-18

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>District Building</b>										
<b>Elementary</b>										
Bernice Young Elementary (1962)										
Square Feet	108,071	108,071	108,071	108,071	108,071	108,071	108,071	108,071	108,071	108,071
Capacity (students)	1,280	1,280	1,280	1,280	1,280	1,280	1,280	1,280	1,280	1,280
Enrollment	1,088	1,035	951	871	892	886	910	896	845	802
Springside Elementary (1915)										
Square Feet	22,475									
Capacity (students)	238									
Enrollment	156									
Fountain Woods Elementary (1999)										
Square Feet	120,648	120,648	120,648	120,648	120,648	120,648	120,648	120,648	120,648	120,648
Capacity (students)	1,278	1,278	1,278	1,278	1,278	1,278	1,278	1,278	1,278	1,278
Enrollment	1,184	956	847	944	884	900	868	881	887	891
Thomas O. Hopkins Middle (1970)										
Square Feet	80,116	80,116	80,116	80,116	80,116	80,116	80,116	80,116	80,116	80,116
Capacity (students)	597	597	597	597	597	597	597	597	597	597
Enrollment	640	311	335	334	322	315	328	323	280	325
Burlington Township Middle School (2008)										
Square Feet	181,700	181,700	181,700	181,700	181,700	181,700	181,700	181,700	181,700	181,700
Capacity (students)	1,058	1,058	1,058	1,058	1,058	1,058	1,058	1,058	1,058	1,058
Enrollment		1,029	1,011	1,028	1,003	951	979	912	949	894
Burlington High School (1964)										
Square Feet	169,125	169,125	169,125	169,125	169,125	169,125	169,125	169,125	169,125	169,125
Capacity (students)	1,003	1,003	1,003	1,003	1,003	1,003	1,003	1,003	1,003	1,003
Enrollment	1,042	829	910	927	960	975	958	982	971	957
<b>Other</b>										
New Middle School (2007)										
Square Feet										
Capacity (students)										
Number of Schools at June 30, 2017										
Elementary =	3									
Middle School =	1									
Senior High School =	1									

Source: District Facilities Office

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

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

**Exhibit J-19**

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

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	Total
* School Facilities											
Fountain Woods School	\$ 96,837	\$ 112,218	\$ 102,135	\$ 130,517	\$ 150,124	\$ 156,914	\$ 167,604	\$ 180,250	\$ 184,774	\$ 187,276	\$ 1,468,649
Springside School	18,010										18,010
Young School	86,709	104,585	103,542	108,764	125,103	130,762	139,670	150,209	153,978	166,468	1,269,790
Hopkins School	64,321	83,149	79,436	87,012	100,082	104,609	111,736	120,167	123,183	124,851	998,546
Middle School	145,830	160,369	147,527	195,776	225,185	235,371	251,406	270,375	277,160	280,914	2,189,913
High School	135,704	146,653	151,183	203,027	233,526	244,088	260,717	280,389	287,426	280,913	2,223,626
Total School Facilities	<u>\$ 547,411</u>	<u>\$ 606,974</u>	<u>\$ 583,823</u>	<u>\$ 725,096</u>	<u>\$ 834,020</u>	<u>\$ 871,744</u>	<u>\$ 931,133</u>	<u>\$ 1,001,390</u>	<u>\$ 1,026,521</u>	<u>\$ 1,040,422</u>	<u>\$ 8,168,534</u>

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

Source: District records

**Burlington Township School District  
Insurance Schedule  
June 30, 2017**

**Exhibit J-20**

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy (1)		
Building and Contents (All Locations)	\$ 152,780,560	\$ 1,000
Crime Coverage:		
Employee Theft	500,000	250
Computer and Funds Transfer Fraud	100,000	
Commercial General Liability	1,000,000/3,000,000	
Abuse or Molesation Liability	1,000,000/3,000,000	
Educators Legal Liability	1,000,000/2,000,000	1,000
Commercial Auto Coverage	1,000,000	1,000
Flood Coverage	1,015,000	25,000
Umbrella Coverage	15,000,000	10,000
Workers' Compensation (2)	Statutory	
Umbrella Liability (1)	15,000,000	10,000
Excess Umbrella (3)	30,000,000	15,000
Student Accident (4)	500,000	
Student Accident Catastrophic (5)	5,000,000	
Surety Bonds (6)		
Board Secretary	300,000	

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

Source: District records

**Single Audit Section**

**INVERSO & STEWART, LLC**  
Certified Public Accountants

651 Route 73 North, Suite 402  
Marlton, New Jersey 08053  
(856) 983-2244  
Fax (856) 983-6674  
E-Mail: [iscpas@concentric.net](mailto:iscpas@concentric.net)

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

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

**INDEPENDENT AUDITOR'S REPORT**

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

**Report on Compliance for Each Major Federal and State Program**

I have audited Burlington Township School District's (School District), in the County of Burlington, State of New Jersey, compliance with the types of compliance requirements described in the *OMB Compliance Supplement*, and the *New Jersey State 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 School District's major federal and state programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

**Management's Responsibility**

Management is responsible for compliance with 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**

My responsibility is to express an opinion on compliance for each of the School District's major federal and state programs based on my audit of the types of compliance requirements referred to above. I conducted my audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards, the Uniform Guidance and State of New Jersey Circular 15-08-OMB require that I plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal 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 I considered necessary in the circumstances.

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



### Opinion on Each Major Federal and State Program

In my opinion, the Burlington Township School District, in the County of Burlington, State of New Jersey complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2017.

### Report on Internal Control Over Compliance

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

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

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

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

***INVERSO & STEWART, LLC***

Certified Public Accountants



Robert P. Inverso

Certified Public Accountant

Public School Accountant No. CS001095

Marlton, New Jersey  
October 12, 2017

BURLINGTON TOWNSHIP SCHOOL DISTRICT  
Schedule of Expenditures of Federal Awards  
for the Fiscal Year ended June 30, 2017

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Federal FAIN Number	Grant or State Project Number	Program or Award Amount	Grant Period	June 30, 2016			Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustment	June 30, 2017									
						Accounts Receivable	Deferred Revenue	Due to Grantor at					Accounts Receivable	Deferred Revenue	Due to Grantor at							
<b>U.S. Department of Education</b>																						
<u>General Fund:</u>																						
Medical Assistance Program (SEMI) - ARRA	93.778	1705NJ5MAP	N/A	4,315	4/1/09-12/31/09	\$ -	\$ -	\$ -	\$ -	\$ 4,315	\$ (4,315)	\$ -	\$ -	\$ -	\$ -							
Medical Assistance Program (SEMI)	93.778	1705NJ5MAP	N/A	92,928	7/1/16 - 6/30/17					92,928	(92,928)											
Total Special Revenue Fund										97,243	(97,243)											
<u>Special Revenue Fund:</u>																						
<u>No Child Left Behind (N.C.L.B.)</u>																						
Title I	84.010A	S010A160030	NCLB-0620-17	366,150	7/1/16 - 6/30/17					254,567				(82,240)								
Title I - Prior Year	84.010A	S010A150030	NCLB-0620-16	297,942	7/1/15 - 6/30/16	(59,482)				59,482	(336,807)											
Title IIA	84.367A	S367A160029	NCLB-0620-17	74,291	7/1/16 - 6/30/17					48,194	(65,576)			(17,382)								
Title IIA - Prior Year	84.367A	S367A150029	NCLB-0620-16	70,744	7/1/15 - 6/30/16	(10,867)				10,867												
Title III	84.365A	S365A160030	NCLB-0620-17	45,120	7/1/16 - 6/30/17					22,952	(28,021)			(5,069)								
Title III - Prior Year	84.365A	S365A150030	NCLB-0620-16	31,971	7/1/15 - 6/30/16	(1,421)				1,421												
Title III - Immigrant	84.365A	S365A160030	NCLB-0620-17	5,393	7/1/16 - 6/30/17						(2,175)			(2,175)								
<u>Individuals With Disabilities Act (I.D.E.A.)</u>																						
Part B - Basic	84.027	H027A160100	IDEA-0620-17	843,231	7/1/16 - 6/30/17					843,231	(843,231)											
Part B - Basic - Prior Year	84.027	H027A150100	IDEA-0620-16	883,377	7/1/15 - 6/30/16	(12,922)				12,922												
Part B - Preschool	84.173	H173A160114	IDEA-0620-17	28,767	7/1/16 - 6/30/17					28,767	(28,767)											
Perkins	84.048A	V048A160030	PERK-0620-17	40,460	7/1/16 - 6/30/17					33,067	(40,460)			(7,393)								
Perkins	84.048A	V048A150030	PERK-0620-16	18,109	7/1/15 - 6/30/16	(2,028)				2,028												
Total Special Revenue Fund										1,317,498	(1,345,037)			(114,259)								
<b>U.S. Department of Agriculture</b>																						
<u>Enterprise Fund:</u>																						
Food Distribution Program	10.565	171NJ304N1099	N/A	79,702	7/1/16 - 6/30/17					79,702	(79,702)											
National School Lunch Program	10.555	171NJ304N1099	N/A	448,866	7/1/16 - 6/30/17					423,249	(448,866)			(25,617)								
National School Lunch Program	10.555	16161NJ304N1099	N/A	449,048	7/1/15 - 6/30/16	(21,508)				21,508												
School Breakfast Program	10.553	171NJ304N1099	N/A	86,139	7/1/16 - 6/30/17					79,800	(86,139)			(6,339)								
School Breakfast Program	10.553	16161NJ304N1099	N/A	86,671	7/1/15 - 6/30/16	(5,785)				5,785												
Total Enterprise Fund										610,044	(614,707)			(31,956)								
Total Federal Awards						\$ (114,013)	\$ -	\$ -	\$ -	\$ 2,024,785	\$ (2,056,987)	\$ -	\$ (146,215)	\$ -	\$ -							

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

BURLINGTON TOWNSHIP SCHOOL DISTRICT  
Schedule of Expenditures of State Financial Assistance  
for the Fiscal Year ended June 30, 2017

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State Grantor / Program Title	Grant or State Project Number	Program Award Amount	Grant Period	June 30, 2016			Cash Received	Budgetary Expenditures	Repayment of Prior Year Grant	Adjustment	June 30, 2017		
				(Accounts Receivable)	Deferred Revenue	Due to Grantor					Accounts Receivable	Deferred Revenue	Due to Grantor at
<b>State Department of Education</b>													
<u>General Fund:</u>													
Special Education Categorical Aid	17-495-034-5120-089	\$ 2,315,921	7/1/16 - 6/30/17	\$ -	\$ -	\$ -	\$ 2,100,544	\$ (2,315,921)	\$ -	\$ -	\$ (215,377)	\$ -	\$ -
Special Education Categorical Aid	16-495-034-5120-089	2,283,101	7/1/15 - 6/30/16	(212,756)			212,756						
Equalization Aid	17-495-034-5120-078	14,996,159	7/1/16 - 6/30/17				13,601,540	(14,996,159)			(1,394,619)		
Equalization Aid	16-495-034-5120-078	14,972,792	7/1/15 - 6/30/16	(1,395,274)			1,395,274						
Security Aid	17-495-034-5120-084	428,856	7/1/16 - 6/30/17				388,973	(428,856)			(39,883)		
Security Aid	16-495-034-5120-084	423,257	7/1/15 - 6/30/16	(39,442)			39,442						
Under Adequacy Aid	17-495-034-5120-096	34,377	7/1/16 - 6/30/17				31,180	(34,377)			(3,197)		
Under Adequacy Aid	16-495-034-5120-096	34,377	7/1/15 - 6/30/16	(3,204)			3,204						
Transportation Aid	17-495-034-5120-014	779,010	7/1/16 - 6/30/17				706,564	(779,010)			(72,446)		
Transportation Aid	16-495-034-5120-014	707,284	7/1/15 - 6/30/16	(65,910)			65,910						
PARCC Readiness Aid	17-495-034-5120-098	40,040	7/1/16 - 6/30/17				36,316	(40,040)			(3,724)		
PARCC Readiness Aid	16-495-034-5120-098	40,040	7/1/15 - 6/30/16	(3,731)			3,731						
Per Pupil Growth Aid	17-495-034-5120-097	40,040	7/1/16 - 6/30/17				36,316	(40,040)			(3,724)		
Per Pupil Growth Aid	16-495-034-5120-097	40,040	7/1/15 - 6/30/16	(3,731)			3,731						
Professional Learning Community Aid	17-495-034-5120-101	38,580	7/1/16 - 6/30/17				34,992	(38,580)			(3,588)		
Reimbursement of Nonpublic Transportation	17-103190	22,446	7/1/16 - 6/30/17					(22,446)			(22,446)		
Reimbursement of Nonpublic Transportation	16-103190	33,436	7/1/15 - 6/30/16	(33,436)			33,436						
Extraordinary Aid	17-495-034-5120-044	714,655	7/1/16 - 6/30/17					(714,655)			(714,655)		
Extraordinary Aid	16-495-034-5120-044	486,801	7/1/15 - 6/30/16	(486,801)			486,801						
Homeless Tuition Aid	17-495-034-5120-005	350,327	7/1/16 - 6/30/17					(350,327)			(350,327)		
Homeless Tuition Aid	16-495-034-5120-005	292,205	7/1/15 - 6/30/16	(292,205)			292,205						
Lead Testing for Schools Aid	17-495-034-5120-104	12,190	7/1/16 - 6/30/17					(12,190)			(12,190)		
On Behalf TPAF Pension	17-495-034-5094-002	2,747,161	7/1/16 - 6/30/17				2,747,161	(2,747,161)					
On Behalf TPAF Post Retirement Medical	17-495-034-5094-001	2,289,010	7/1/16 - 6/30/17				2,289,010	(2,289,010)					
On Behalf TPAF LTDI	17-495-034-5094-004	3,698	7/1/16 - 6/30/17				3,698	(3,698)					
Reimbursed TPAF Social Security Contributions	17-495-034-5094-003	1,925,759	7/1/16 - 6/30/17				1,830,955	(1,925,759)			(94,804)		
Reimbursed TPAF Social Security Contributions	16-495-034-5094-003	1,861,945	7/1/15 - 6/30/16	(91,704)			91,704						
<b>Total General Fund</b>				<b>(2,628,194)</b>			<b>26,435,443</b>	<b>(26,738,229)</b>			<b>(2,930,980)</b>		
<u>Special Revenue Fund</u>													
NJ Nonpublic Aid:													
Textbook Aid	17-100-034-5120-064	5,072	7/1/16 - 6/30/17				5,072	(5,072)					
Textbook Aid	16-100-034-5120-064	4,340	7/1/15 - 6/30/16			197			197				
Technology Aid	17-100-034-5120-373	2,288	7/1/16 - 6/30/17				2,288	(2,288)					
Security Aid	17-100-034-5120-509	4,900	7/1/16 - 6/30/17			5	4,900	(4,900)					
Security Aid	16-100-034-5120-509	2,000	7/1/15 - 6/30/16						5				
<b>Total Special Revenue Fund</b>						<b>202</b>	<b>12,260</b>	<b>(12,260)</b>	<b>202</b>				
New Jersey School Development Authority													
<u>Capital Projects Fund</u>													
High School	0620-010-14-1001	809,471	6/20/14 - 6/30/15	(161,894)							(161,894)		
Thomas O. Hopkins Middle School	0620-025-14-1002	246,036	5/02/14 - 6/30/15	(246,036)			122,318				(123,718)		
Middle School	0620-051-14-1005	97,064	5/02/14 - 6/30/15	(97,064)							(97,064)		
Fountain Woods	0620-037-14-1004	74,283	5/02/14 - 6/30/15	(74,283)							(74,283)		
Bernice Young School	0620-030-14-1003	1,104,619	5/02/14 - 6/30/15	(256,846)							(256,846)		
High School	0620-010-10-1001	77,480	10/13/10 - 6/30/12	(38,353)			38,353						
<b>Total Capital Projects Fund</b>				<b>(874,476)</b>			<b>160,671</b>				<b>(713,805)</b>		
<u>Debt Service Fund</u>													
Debt Service Aid Type II	17-495-034-5120-017	1,007,476	7/1/16 - 6/30/17				1,007,476	(1,007,476)					
<b>State Department of Agriculture</b>													
<u>Enterprise Fund:</u>													
State School Lunch Program	17-100-010-3350-023	14,387	7/1/16 - 6/30/17				13,584	(14,387)			(803)		
State School Lunch Program	16-100-010-3350-023	14,969	7/1/15 - 6/30/16	(699)			699						
<b>Total Enterprise Fund</b>				<b>(699)</b>			<b>14,283</b>	<b>(14,387)</b>			<b>(803)</b>		
<b>Total State Financial Assistance</b>				<b>\$ (3,503,369)</b>	<b>\$ -</b>	<b>\$ 202</b>	<b>\$ 27,630,133</b>	<b>\$ (27,772,352)</b>	<b>\$ 202</b>	<b>\$ -</b>	<b>\$ (3,645,588)</b>	<b>\$ -</b>	<b>\$ -</b>
Less: State Financial Assistance Not Subject to Major Program Determination													
On-Behalf TPAF Contribution - Pension (Non-Budgeted)													
On-Behalf TPAF Contribution - Post-Retirement Medical (Non-Budgeted)													
On-Behalf TPAF Contribution - LTDI (Non-Budgeted)													
<b>Total State Financial Assistance Subject to Major Program Determination</b>													
<b>\$ (25,021,493)</b>													

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

**Burlington Township School District  
Notes to Schedules of Expenditures  
of Federal Awards and State Financial Assistance  
For the Fiscal Year Ended June 30, 2017**

**I. GENERAL**

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

**2. BASIS OF ACCOUNTING**

The accompanying schedules of expenditures of federal awards and state financial assistance are presented using the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 1 to the School District's basic financial statements. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and State of New Jersey Circular 15-08-OMB, *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 has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

**3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS**

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

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

**Burlington Township School District  
Notes to the Schedules of Expenditures  
of Federal Awards and State Financial Assistance  
For the Fiscal Year Ended June 30, 2017  
(Continued)**

**3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (CONTINUED)**

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$12,510) for the general fund and \$-0- for the special revenue fund. See Exhibit C-3, Notes to Required Supplementary Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as follows:

<u>Fund</u>	<u>Federal</u>	<u>State</u>	<u>Total</u>
General	\$ 97,243	\$ 26,725,719	\$ 26,822,962
Special Revenue	1,345,037	12,260	1,357,297
Debt Service		1,007,476	1,007,476
Food Service	<u>614,707</u>	<u>14,387</u>	<u>629,094</u>
Total	<u>\$ 2,056,987</u>	<u>\$ 27,759,842</u>	<u>\$ 29,816,829</u>

**4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS**

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

**5. OTHER**

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the 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.

**6. MAJOR PROGRAMS**

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

**BURLINGTON TOWNSHIP SCHOOL DISTRICT  
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 weaknesses identified?                      yes     X     no

2) Significant deficiencies identified?                      yes     X     none reported

Noncompliance material to basic financial statements noted?                      yes     X     no

**Federal Awards**

Internal Control over major programs:

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

2) Significant deficiencies identified?                      yes     X     none reported

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

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

Identification of major programs:

<u>CFDA Number(s)</u>	<u>FAIN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
<u>10.555</u>	<u>171NJ304N1099</u>	<u>National School Lunch Program</u>
<u>10.553</u>	<u>171NJ304N1099</u>	<u>School Breakfast Program</u>
<u>                    </u>	<u>                    </u>	<u>                    </u>
<u>                    </u>	<u>                    </u>	<u>                    </u>
<u>                    </u>	<u>                    </u>	<u>                    </u>
<u>                    </u>	<u>                    </u>	<u>                    </u>
<u>                    </u>	<u>                    </u>	<u>                    </u>

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

Auditee qualified as low-risk auditee?     X     yes                      no

BURLINGTON TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

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

State Awards Section

Dollar threshold used to distinguish between type A and type B programs: \$750,645

Auditee qualified as low-risk auditee?  X  yes   no

Internal Control over major programs:

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

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

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

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

Identification of major programs:

<u>State Grant/Project Number(s)</u>	<u>Name of State Program</u>
<u>17-495-034-5120-078</u>	<u>State Aid Public Cluster: Equalization Aid</u>
<u>17-495-034-5120-089</u>	<u>Special Education Categorical Aid</u>
<u>17-495-034-5120-084</u>	<u>Security Aid</u>
<u>17-495-034-5120-083</u>	<u>Under Adequacy Aid</u>
<u>17-495-034-5120-097</u>	<u>Per Pupil Growth Aid</u>
<u>17-495-034-5120-098</u>	<u>PARCC Readiness</u>
<u>17-495-034-5120-101</u>	<u>Professional Learning Community Aid</u>
<u>17-495-034-5094-003</u>	<u>Reimbursed TPAF Social Security Contributions</u>
<u>17-495-034-5120-017</u>	<u>Debt Service Aid Type II</u>
<u>17-100-010-3350-023</u>	<u>State School Lunch Program</u>

**BURLINGTON TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**Section 2 -- Schedule of Financial Statement Findings**

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

No findings identified.



**BURLINGTON TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**Section 3 -- Schedule of Federal Awards and State Financial Assistance  
Findings and 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 Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey Circular 15-08-OMB.

**FEDERAL AWARDS:**

No findings and/or questioned costs identified.

**STATE AWARDS:**

No findings and/or questioned costs identified.

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

This section identifies the status of prior year findings related to the financial statements and federal and state awards that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*, 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 Circular 15-08-OMB.

**FINANCIAL STATEMENT FINDINGS**

There were no prior year audit findings

**FEDERAL AWARDS**

There were no prior year audit findings.

**STATE AWARDS**

There were no prior year audit findings.