

BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY

Westampton, New Jersey
County of Burlington

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

COMPREHENSIVE ANNUAL FINANCIAL REPORT

OF THE

BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY

WESTAMPTON, NEW JERSEY

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Prepared by

Burlington County Institute of Technology Business Office

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OUTLINE OF CAFR

	PAGE
INTRODUCTORY SECTION	
Letter of Transmittal	1
Organizational Chart	5
Roster of Officials	7
Consultants and Advisors	8
FINANCIAL SECTION	
Independent Auditors' Report	11
REQUIRED SUPPLEMENTARY INFORMATION - PART I	
Management's Discussion & Analysis	17
BASIC FINANCIAL STATEMENTS	
A. Government-Wide Financial Statements:	
A-1 Statement of Net Position	29
A-2 Statement of Activities	30
B. Fund Financial Statements:	
Governmental Funds:	
B-1 Balance Sheet	37
B-2 Statement of Revenues, Expenditures & Changes in Fund Balance	38
B-3 Reconciliation of the Statement of Revenues, Expenditures & Changes in Fund Balance of Governmental Funds to the Statement of Activities	39
Proprietary Funds:	
B-4 Statement of Net Position	43
B-5 Statement of Revenues, Expenditures & Changes in Fund Net Position	44
B-6 Statement of Cash Flows	45
Fiduciary Funds:	
B-7 Statement of Fiduciary Net Position	49
B-8 Statement of Changes in Fiduciary Net Position	50
Notes to Financial Statements	53
REQUIRED SUPPLEMENTARY INFORMATION - PART II	
C. Budgetary Comparison Schedules:	
C-1 Budgetary Comparison Schedule - General Fund	93
C-1a Combining Schedule of Revenue, Expenditures & Changes in Fund Balance - Budget & Actual	N/A
C-1b Education Jobs Fund Program - Budget & Actual	N/A
C-2 Budgetary Comparison Schedule - Special Revenue Fund	103
Notes to the Required Supplementary Information - Part II	
C-3 Budget-to-GAAP Reconciliation	107

REQUIRED SUPPLEMENTARY INFORMATION - PART III

L. Schedules Related to Accounting and Reporting for Pensions (GASB 68):	
L-1 Schedule of the District's Proportionate Share of the Net Pension Liability - PERS	113
L-2 Schedule of District Contributions - PERS	114
L-3 Schedule of the District's Proportionate Share of the Net Pension Liability - TPAF	115
L-4 Schedule of District Contributions - TPAF	116
M. Schedules Related to Accounting and Reporting for Other Post-Employment Benefits (GASB 75):	
M-1 Schedule of Changes in the Net OPEB Liability and Related Ratios - State Health Benefit Local Education Retired Employees Plan (OPEB)	119
Notes to the Required Supplementary Information - Part III	123
D. School Based Budget Schedules Fund:	
D-1 Combining Balance Sheet	N/A
D-2 Blended Resource Fund - Schedule of Expenditures Allocated by Resource Type - Actual	N/A
D-3 Blended Resource Fund - Schedule of Blended Expenditures - Budget & Actual	N/A
E. Special Revenue Fund:	
E-1 Combining Schedule of Revenues & Expenditures - Special Revenue Fund - Budgetary Basis	131
E-2 Preschool Education Aid Schedule(s) of Expenditures - Budgetary Basis	N/A
F. Capital Projects Fund:	
F-1 Summary Statement of Project Expenditures	135
F-2 Summary Schedule of Revenues, Expenditures and Changes in Fund Balance - Budgetary Basis	136
F-2a Schedule of Revenues, Expenditures, Project Balance & Project Status - Budgetary Basis	137
G. Proprietary Funds:	
Enterprise Funds:	
G-1 Combining Statement of Net Position	N/A
G-2 Combining Statement of Revenues, Expenses & Changes in Fund Net Position	N/A
G-3 Combining Statement of Cash Flows	N/A
Internal Service Funds:	
G-4 Combining Statement of Net Position	N/A
G-5 Combining Statement of Revenues, Expenses & Changes in Fund Net Position	N/A
G-6 Combining Statement of Cash Flows	N/A
H. Fiduciary Funds:	
H-1 Combining Statement of Fiduciary Net Position	147
H-2 Combining Statement of Changes in Fiduciary Net Position	148
H-3 Student Activity Agency Fund Schedule of Receipts & Disbursements	149
H-4 Payroll Agency Fund Schedule of Receipts & Disbursements	149
I. Long-Term Debt:	
I-1 Schedule of Serial Bonds	N/A
I-2 Schedule of Obligations Under Capital Leases	N/A
I-3 Debt Service Fund Budgetary Comparison Schedule	N/A
I-4 Debt Service Fund Schedule of Compensated Absences	N/A

STATISTICAL SECTION (unaudited)

Financial Trends:

J-1 Net Position by Component	155
J-2 Changes in Net Position	156
J-3 Fund Balances - Governmental Funds	159
J-4 Changes in Fund Balance - Governmental Funds	160
J-5 Other Local Revenue by Source - General Fund	162

Revenue Capacity:

J-6 Assessed Value & Estimated Actual Value of Taxable Property	N/A
J-7 Direct & Overlapping Property Tax Rates	N/A
J-8 Principal Property Taxpayers	N/A
J-9 Property Tax Levies & Collections	N/A

Debt Capacity:

J-10 Ratios of Outstanding Debt by Type	N/A
J-11 Ratios of General Bonded Debt Outstanding	N/A
J-12 Direct & Overlapping Governmental Activities Debt	N/A
J-13 Legal Debt Margin Information	N/A

Demographic & Economic Information:

J-14 Demographic & Economic Statistics	163
J-15 Principal Employers	N/A

Operating Information:

J-16 Full-Time Equivalent District Employees by Function/Program	164
J-17 Operating Statistics	165
J-18 School Building Information	166
J-19 Schedule of Required Maintenance	167
J-20 Insurance Schedule	168

SINGLE AUDIT SECTION

K-1 Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	171
K-2 Independent Auditors' Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by The Uniform Guidance and New Jersey OMB Circular 15-08	173
K-3 Schedule of Expenditures of Federal Awards, Schedule A	177
K-4 Schedule of Expenditures of State Financial Assistance, Schedule B	178
K-5 Notes to Schedules of Awards and Financial Assistance	179
K-6 Schedule of Findings & Questioned Costs - Summary of Auditor's Results	181
K-7 Schedule of Findings & Questioned Costs - Findings	183
K-8 Summary Schedule of Prior Year Audit Findings	186

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INTRODUCTORY SECTION

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BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT
BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY

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

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

February 14, 2019

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

Dear Board Members/Citizens:

The Comprehensive Annual Financial Report (CAFR) of the Burlington County Institute of Technology for the fiscal year ended June 30, 2018, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Burlington County Institute of Technology. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the district as of June 30, 2018, and the respective changes in financial position and cash flows, where applicable, thereof, for the year then ended in conformity with accounting principles generally accepted in the United States of America. All disclosures necessary to enable the reader to gain an understanding of the district's financial activities have been included.

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

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

Introductory Section:

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

Financial Section:

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

Statistical Section:

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

Single Audit Section:

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

and compliance with applicable laws, regulations, contracts and grants, along with findings and questioned costs, if any, are included in the Single Audit Section of this report.

REPORTING ENTITY AND ITS SERVICES

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

The Burlington County Institute of Technology is a vocational high school serving grades 9 through 12 which also provides all required academic training. In addition to the high school program, the District operates an extensive adult post-secondary education. The district enrollment dropped approximately 0.20% compared to the prior year. The School District’s enrollment, as of October 15th, for the current and past nine fiscal years are detailed below.

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2017-2018	2,012	-0.20%
2016-2017	2,016	-2.28%
2015-2016	2,063	0.34%
2014-2015	2,056	-0.05%
2013-2014	2,057	-1.86%
2012-2013	2,096	3.76%
2011-2012	2,020	1.71%
2010-2011	1,986	0.91%
2009-2010	1,968	2.93%
2008-2009	1,912	-5.95%

ECONOMIC CONDITION AND OUTLOOK

The increased demand for manufacturing and skilled workers, combined with the increasing costs of obtaining a four-year college degree, bode well for the continued increase in enrollment at BCIT. The District anticipates a continued increase in enrollment, given the Q1 2018 record-setting GDP from manufacturing, along with the 4.2% growth rate in Q2 2018.

MAJOR INITIATIVES

BCIT’s primary objective is to provide students with high quality career and technical education in preparation for a career, higher education leading to a career and lifelong learning. BCIT continues to implement a comprehensive literacy program called “Literacy for Life” to enhance literary supports for students. Various data points are being assessed to inform instruction such as PARCC, Star360, LinkIt Form A and B, etc. Teachers have received professional development for literacy and mathematics strategies. In partnership with RCBC, BCIT started a College Head Start program for the Culinary Arts and Hospitality program whereby students can complete at least one year of college while in high school.

PARCC assessment results have improved in comparison to the previous year. The district has continued to enhance its security protocols and infrastructure to ensure that students and staff have a safe learning environment. BCIT continues to develop articulation agreements with institutes of higher education to allow students to earn college credits while in high school. The Culinary Arts and Hospitality program at BCIT Medford campus is in the process of being completely renovated. Virtual reality was implemented in the Sports Medicine program at the Westampton campus with the addition of the Antomage Virtual Dissection Table.

INTERNAL ACCOUNTING CONTROLS

Management of the School District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the district are protected from loss, theft and misuse and to ensure that adequate accounting data are completed to allow for the preparation of financial statement in conformity with general accepted accounting principles (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be delivered; and (2) the valuation of costs and benefits require estimates and judgments by management.

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

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

BUDGETARY CONTROLS

In addition to internal accounting controls, the School District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Board of Education. Annual appropriated budgets are adopted for the general fund, the special revenue fund, and the debt service fund. Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section. An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either cancelled or included as re-appropriations of fund balance in the subsequent year.

ACCOUNTING SYSTEM AND REPORTS

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

OTHER INFORMATION

INDEPENDENT AUDIT

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

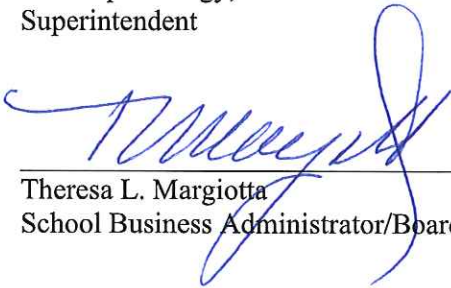
ACKNOWLEDGEMENTS

We would like to express our appreciation to the members of the Board of Education for their concern in providing fiscal accountability to the citizens and taxpayers of the School District and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have accomplished without the efficient and dedicated services of our business office staff.

Respectfully submitted,



Christopher Nagy, Ed. D.
Superintendent

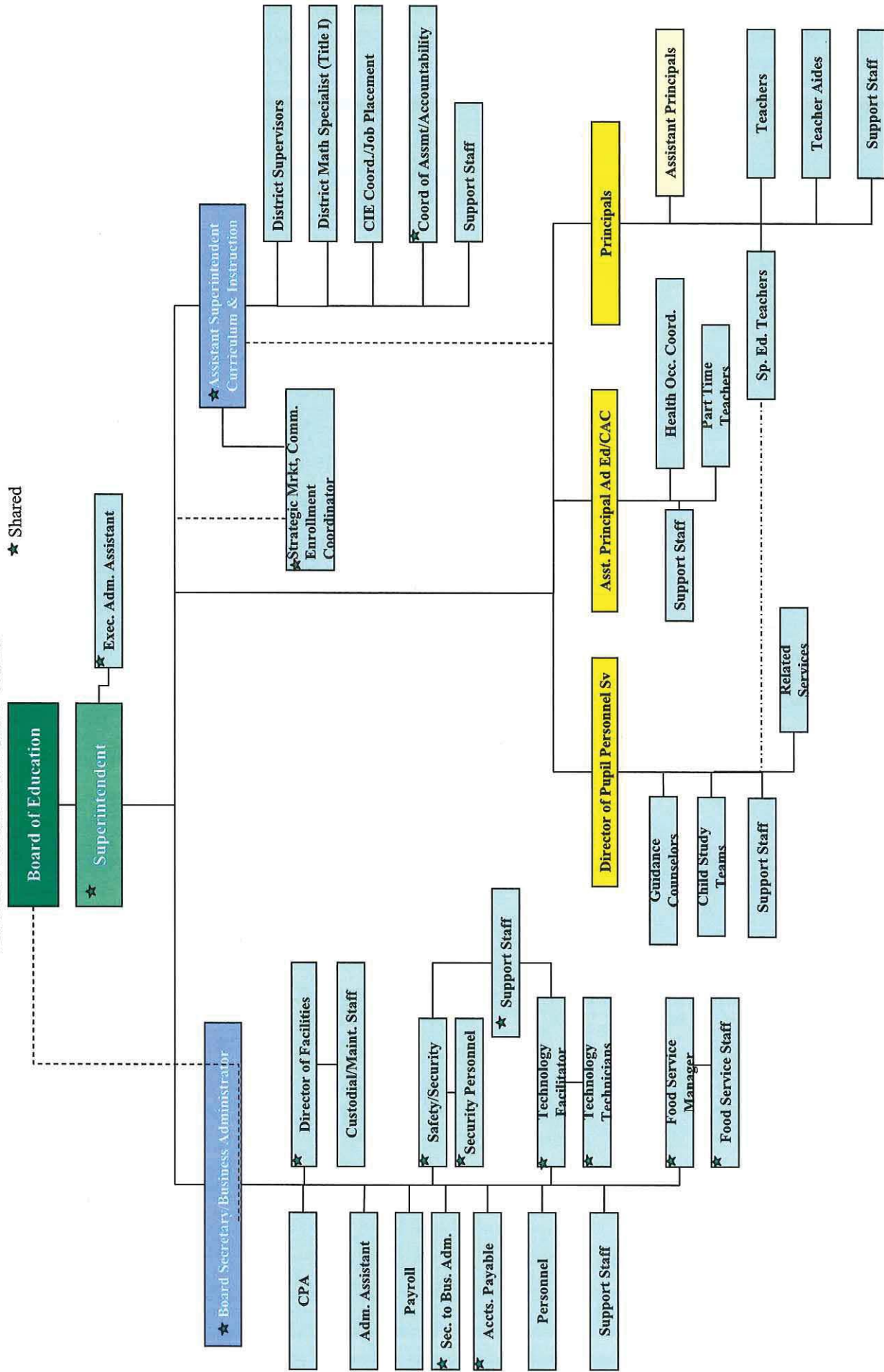


Theresa L. Margiotta
School Business Administrator/Board Secretary

POLICY

**Burlington County Institute of Technology
Administration 1100
DISTRICT ORGANIZATIONAL CHART**

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

ROSTER OF OFFICIALS

JUNE 30, 2018

MEMBERS OF THE BOARD OF EDUCATION

TERM EXPIRES

Robert C. Silcox, President	2018
Paula Lee, Vice President	2018
Tyler Seville	2019
Kathleen Burgess	2019
John J. Ferry	2020
Leon E. Jones, Jr.	2020

OTHER OFFICIALS

Dr. Christopher Nagy, Superintendent

Theresa L. Margiotta, Business Administrator/Board Secretary

Constance L. Stewart, Treasurer

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

CONSULTANTS AND ADVISORS

ARCHITECT

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Cape May Court House, New Jersey 08210

AUDIT FIRM

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

ATTORNEY

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

OFFICIAL DEPOSITORY

TD Bank

FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Burlington County Institute of Technology, County of Burlington, State of New Jersey, as of and for the fiscal year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Burlington County Institute of Technology, County of Burlington, State of New Jersey, as of June 30, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

Change in Accounting Principle

As discussed in Note 1 to the financial statements, during the fiscal year ended June 30, 2018 the District adopted Governmental Accounting Standards Board (GASB) Statement No. 75, Accounting and Financial Reporting for Post-Employment Benefits Other than Pensions – an amendment of GASB Statement No.’s 45, 57 & 74. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Information

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

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 14, 2019 on our consideration of the School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District's internal control over financial reporting and compliance.

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

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

Medford, New Jersey
February 14, 2019

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REQUIRED SUPPLEMENTARY INFORMATION - PART I

Management's Discussion and Analysis

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BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2018
(Unaudited)

As management of the Burlington County Institute of Technology, Westampton, New Jersey (School District), we offer readers of the School District's financial statements this narrative overview and analysis of the School District for the fiscal year ended June 30, 2018. We encourage readers to consider the information presented in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

Overview of the Basic Financial Statements

This discussion and analysis is intended to serve as an introduction to the School District's basic financial statements. Comparison to the prior year's activity is provided in this document. The basic financial statements are comprised of three components:

- 1) Government-Wide financial statements, 2) Fund financial statements, and 3) Notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

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

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

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

Both of the government-wide financial statements distinguish functions of the School District that are supported from taxes and intergovernmental revenues (*governmental activities*) and other functions that are intended to recover most of their costs from user fees and charges (*business-type activities*). Governmental activities consolidate governmental funds including the General Fund, Special Revenue Fund, and Capital Projects Fund. Business-type activities reflect the Food Service Fund, Fire School Fund, Adult Education Fund, Beaver's Den Child Care Fund, and Summer Camp Fund.

Fund Financial Statements

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

BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2018
(Unaudited) (Continued)

Overview of the Basic Financial Statements (continued)

Fund Financial Statements (continued)

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

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

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

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

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

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

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

Notes to the Basic Financial Statements

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

BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2018
(Unaudited) (Continued)

Financial Analysis of the School District as a Whole

Table 1 provides a summary of the School Districts net position for the fiscal years 2018 compared to fiscal year 2017.

Table 1
Summary of Net Position

	June 30, <u>2018</u>	June 30, <u>2017</u>	Increase/ <u>(Decrease)</u>	Percentage <u>Change</u>
Current & Other Assets	\$ 6,485,567	\$ 4,665,311	\$ 1,820,256	39.0%
Capital Assets, Net	<u>47,071,746</u>	<u>48,334,080</u>	<u>(1,262,334)</u>	-2.6%
Total Assets	<u>53,557,313</u>	<u>52,999,391</u>	<u>557,922</u>	1.1%
Deferred Outflow of Resources	<u>5,064,239</u>	<u>7,260,418</u>	<u>(2,196,179)</u>	-30.2%
Current and other Liabilities	2,679,461	1,391,187	1,288,274	92.6%
Noncurrent Liabilities	<u>17,071,640</u>	<u>22,244,577</u>	<u>(5,172,937)</u>	-23.3%
Total Liabilities	<u>19,751,101</u>	<u>23,635,764</u>	<u>(3,884,663)</u>	-16.4%
Deferred Inflow of Resources	<u>3,785,208</u>	<u>229,441</u>	<u>3,555,767</u>	1549.8%
Net Position:				
Net Investment in Capital Asset:	47,071,746	48,334,080	(1,262,334)	-2.6%
Restricted	2,906,184	3,257,188	(351,004)	-10.8%
Unrestricted (Deficit)	<u>(14,892,687)</u>	<u>(15,196,664)</u>	<u>303,977</u>	-2.0%
Total Net Position	<u>\$ 35,085,243</u>	<u>\$ 36,394,604</u>	<u>\$ (1,309,361)</u>	-3.6%

BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2018
(Unaudited) (Continued)

Financial Analysis of the School District as a Whole

Table 2 shows the changes in net position for fiscal year 2018 compared to fiscal year 2017.

Table 2
Summary of Changes in Net Position

	June 30, <u>2018</u>	June 30, <u>2017</u>	Increase/ <u>(Decrease)</u>	Percentage <u>Change</u>
Revenues:				
Program Revenues:				
Charges for Services	\$ 1,931,148	\$ 1,810,057	\$ 121,091	6.7%
Operating Grants & Contributions	13,415,766	5,477,239	7,938,527	144.9%
General Revenues:				
County Appropriations	15,129,684	14,929,750	199,934	1.3%
Federal & State Aid Not Restricted	14,850,123	14,995,140	(145,017)	-1.0%
Tuition	6,781,709	6,710,366	71,343	1.1%
Other General Revenues	126,212	294,610	(168,398)	-57.2%
Special Items				
Loss on Disposal of Capital Assets	(4,898)	-	(4,898)	100.0%
Board Contribution to County	(960,796)	-	(960,796)	100.0%
Total Revenues	51,268,948	44,217,162	7,051,786	15.9%
Function/Program Expenses:				
Regular Instruction	6,431,000	6,419,851	11,149	0.2%
Special Education Instruction	1,778,049	2,139,517	(361,468)	-16.9%
Vocational Education	4,550,735	4,611,502	(60,767)	-1.3%
Other Instruction	1,192,601	1,149,279	43,322	3.8%
Student & Instruction Related Services	3,364,109	3,347,487	16,622	0.5%
General Administrative	707,247	711,033	(3,786)	-0.5%
School Administrative Services	5,183,778	6,291,546	(1,107,768)	-17.6%
Plant Operations & Maintenance	5,056,567	5,244,011	(187,444)	-3.6%
Pupil Transportation	426,852	386,327	40,525	10.5%
Unallocated Benefits	18,299,369	11,531,254	6,768,115	58.7%
Increase In Compensated Absences	-	23,782	(23,782)	-100.0%
Special Schools	266,312	-	266,312	100.0%
Adjustment to Capital Outlay	-	(213,482)	213,482	-100.0%
Interest & Other Charges	236,013	236,013	-	0.0%
Unallocated Depreciation	2,578,047	2,541,849	36,198	1.4%
Food Service	1,272,312	1,214,964	57,348	4.7%
Fire School	243,104	132,997	110,107	82.8%
Adult Education Programs	939,327	1,216,484	(277,157)	-22.8%
Summer Camps	52,887	51,772	1,115	2.2%
Beaver's Den Child Care	-	183,677	(183,677)	-100.0%
Total Expenses	52,578,309	47,219,863	5,358,446	11.3%
Change In Net Position	(1,309,361)	(3,002,701)	1,693,340	-56.4%
Net Position - Beginning	36,394,604	39,397,305	(3,002,701)	-7.6%
Net Position - Ending	\$ 35,085,243	\$ 36,394,604	\$ (1,309,361)	-3.6%

BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2018
(Unaudited) (Continued)

Governmental Activities

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

During the fiscal year 2018, the net position of governmental activities decreased by \$1,337,486. The primary reason for the decrease was the inclusion of certain other expenses that are not reported in the governmental fund financial statements. Depreciation and pension expense cause the change in net position to go from a positive \$423,422 to a deficit of \$(1,337,486).

The assets and deferred outflows of the primary government activities exceeded liabilities and deferred inflows by \$34,908,407, with an unrestricted deficit balance of \$15,063,778. The deficit in unrestricted net position is primarily due to accounting treatment for compensated absences payable, GASB 68 net pension liability, and the last 2 state aid payments. In addition, state statutes prohibit school districts from maintaining more than 2% of its adopted budget as unassigned fund balance.

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

Table 3
GASB 68 Effect on Unrestricted Net Position

Unrestricted Net Position (With GASB 68)	\$ (15,063,778)
Add back: PERS Pension Liability	15,180,650
Less: Deferred Outflows related to pensions	(5,064,239)
Add back: PERS Contribution for 18/19	611,000
Add back: Deferred Inflows related to pensions	<u>3,785,208</u>
Unrestricted Net Position (Without GASB 68)	<u>\$ (551,159)</u>

Business-type Activities

During the fiscal year 2018, the net position of business-type activities increased by \$28,125.

The assets and deferred outflows of the business-type activities exceeded liabilities and deferred inflows by \$176,836.

General Fund Budgeting Highlights

Final budgeted revenues were \$37,511,295, which was equal to the original budget. Excluding nonbudgeted revenues, the School District's actual revenues were less than budgeted revenues by \$765,666.

Final budgeted appropriations were \$37,946,601, which was an increase of \$517,852 from the original budget. The increase is primarily due to prior year reserve for encumbrances, which increase the budget appropriations in the subsequent fiscal year's budget. Excluding nonbudgeted expenditures, the School District's actual expenditures less than budgeted appropriations by \$1,573,231.

BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2018
(Unaudited) (Continued)

General Fund Budgeting Highlights (continued)

The School District's general fund balance – budgetary basis (Exhibit C-1) was \$5,688,241 at June 30, 2018, an increase of \$785,408 from the prior year.

Governmental Funds

At the end of the current fiscal year, the School District's governmental funds reported a combined ending fund balance of \$4,246,015, an increase of \$774,426 from the prior year.

General fund - During the current fiscal year, the fund balance of the School District's general fund increased by \$774,426. The primary factor(s) affecting the change in fund balance of the general fund is as follows:

- We significantly decreased our expenditures in the General Fund year over year, especially in capital outlay.

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

Capital projects fund – During the current fiscal year, the fund balance of the School District's capital projects fund decreased by \$351,004. The primary factor(s) affecting the change in fund balance of the capital projects fund is as follows:

- The project was completed in the current year and closed out. The funds were sent to the general fund in the current year.

Proprietary Funds

Food service fund - During the current fiscal year, the net position of the School District's food service fund increased by \$33,903. The primary factor(s) affecting the change in net position of the food service fund is as follows:

- There was an increase in revenues for the Special Functions & Miscellaneous Revenues for the year. The General fund subsidized the Food Service fund by \$100,000 in the current year.

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

Fire School - During the current fiscal year, the net position of the School District's Fire School fund decreased by \$118,644. The primary factor(s) affecting the change in net position of the Fire School fund is as follows:

- Fire School had unexpected expenses due to delayed enrollment costs from the Division of Pensions for employees who should have been enrolled in the Pension system and were not.

Adult Education - During the current fiscal year, the net position of the School District's Adult Education fund increased by \$175,163. The primary factor(s) affecting the change in net position of the Adult Education fund is as follows:

- There was a decrease in expenses for the current year and we received State Aid for Post-Secondary enrollment which was unexpected.

BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2018
(Unaudited) (Continued)

Proprietary Funds (continued)

Beaver's Den Child Care - During the current fiscal year, the net position of the School District's Beaver's Den Child Care fund decreased by \$62,145. The primary factor(s) affecting the change in net position of the Beaver's Den Child Care fund is as follows:

- The net position and fund accounting has been moved to the General Fund.

Summer Camp - During the current fiscal year, the net position of the School District's Summer Camp fund decreased by \$152. The primary factor(s) affecting the change in net position of the Summer Camp fund is as follows:

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

Capital Assets

The School District's capital assets for its governmental and business-type activities as of June 30, 2018, totaled \$47,071,746 (net of accumulated depreciation). This investment in capital assets includes land, land improvements, buildings and improvements and equipment. There was a net decrease in the School District's investment in capital assets for the current fiscal year in the amount of \$1,262,334. This decrease is primarily due to current year additions being less than depreciation expenses. Table 3 shows fiscal 2018 balances compared to 2017.

Table 4
Summary of Capital Assets

<u>Capital Asset (Net of Depreciation):</u>	<u>June 30,</u> <u>2018</u>	<u>June 30,</u> <u>2017</u>	<u>Increase/</u> <u>(Decrease)</u>	<u>Percentage</u> <u>Change</u>
Land	\$ 379,000	\$ 379,000	\$ -	0.0%
Land Improvements	3,526,566	3,902,666	(376,100)	-9.6%
Building and Improvements	39,043,407	39,851,646	(808,239)	-2.0%
Equipment	4,122,773	4,200,768	(77,995)	-1.9%
	<u>\$ 47,071,746</u>	<u>\$ 48,334,080</u>	<u>\$(1,262,334)</u>	<u>-2.6%</u>
 Depreciation Expense	 <u>\$ 2,579,482</u>	 <u>\$ 2,543,282</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.

Contacting the School Districts Financial Management

This financial report is designed to provide a general overview of the School District's finances for all those with an interest in the School District. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Theresa L. Margiotta, Secretary to the Board of Education and School Business Administrator at: Burlington County Institute of Technology, 2 Academy Drive, Westampton, NJ 08060.

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BASIC FINANCIAL STATEMENTS

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A. Government-Wide Financial Statements

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BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY
STATEMENT OF NET POSITION
JUNE 30, 2018

	GOVERNMENTAL <u>ACTIVITIES</u>	BUSINESS-TYPE <u>ACTIVITIES</u>	<u>TOTAL</u>
ASSETS:			
Cash & Cash Equivalents	\$ 2,869,455	\$ 154,901	\$ 3,024,356
Receivables, Net (Note 4)	325,796	192,021	517,817
Inventory	-	37,210	37,210
Restricted Cash & Cash Equivalents	2,906,184	-	2,906,184
Capital Assets, Net (Note 5):			
Non-depreciable	379,000	-	379,000
Depreciable	46,687,001	5,745	46,692,746
Total Assets	53,167,436	389,877	53,557,313
DEFERRED OUTFLOWS OF RESOURCES:			
Related to Pensions (Note 8)	5,064,239	-	5,064,239
Total Deferred Outflow of Resources	5,064,239	-	5,064,239
LIABILITIES:			
Accounts Payable	1,090,895	116,007	1,206,902
Due to Other Governments	611,000	-	611,000
Unearned Revenue	7,278	97,034	104,312
Accrued Salaries & Wages	757,247		757,247
Noncurrent Liabilities (Note 7):			
Due in more than one year	17,071,640	-	17,071,640
Total Liabilities	19,538,060	213,041	19,751,101
DEFERRED INFLOWS OF RESOURCES:			
Related to Pensions (Note 8)	3,785,208	-	3,785,208
Total Deferred Inflow of Resources	3,785,208	-	3,785,208
NET POSITION:			
Net Investment in Capital Assets	47,066,001	5,745	47,071,746
Restricted for:			
Capital Projects	2,906,184	-	2,906,184
Unrestricted (Deficit)	(15,063,778)	171,091	(14,892,687)
Total Net Position	\$ 34,908,407	\$ 176,836	\$ 35,085,243

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

BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2018

FUNCTIONS/PROGRAMS	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION		
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS & CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
Governmental Activities:						
Instruction:						
Regular Instruction	\$ 6,431,000	\$ -	\$ 1,010,441	\$ (5,420,559)	\$ -	\$ (5,420,559)
Special Education Instruction	1,778,049	-	-	(1,778,049)	-	(1,778,049)
Vocational Education	4,550,735	-	-	(4,550,735)	-	(4,550,735)
Other Instruction	1,192,601	-	-	(1,192,601)	-	(1,192,601)
Support Services:						
Student & Instruction Related Services	3,364,109	-	203,733	(3,160,376)	-	(3,160,376)
Other Administrative	707,247	-	-	(707,247)	-	(707,247)
School Administrative Services	5,183,778	-	-	(5,183,778)	-	(5,183,778)
Plant Operations & Maintenance	5,056,567	-	-	(5,056,567)	-	(5,056,567)
Pupil Transportation	426,852	-	-	(426,852)	-	(426,852)
Unallocated Employee Benefits	18,299,369	-	11,634,840	(6,664,529)	-	(6,664,529)
Special Schools	266,312	-	-	(266,312)	-	(266,312)
Debt Service:						
Interest & Other Charges	236,013	-	-	(236,013)	-	(236,013)
Unallocated Depreciation	2,578,047	-	-	(2,578,047)	-	(2,578,047)
Total Governmental Activities	50,070,679	-	12,849,014	(37,221,665)	-	(37,221,665)
Business-Type Activities:						
Food Service	1,272,312	651,806	554,409	-	(66,097)	(66,097)
Fire School	243,104	124,460	-	-	(118,644)	(118,644)
Adult Education Programs	939,327	1,102,147	12,343	-	175,163	175,163
Summer Camps	52,887	52,735	-	-	(152)	(152)
Total Business-Type Activities	2,507,630	1,931,148	566,752	-	(9,730)	(9,730)

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

**BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2018**

<u>FUNCTIONS/PROGRAMS</u>	<u>PROGRAM REVENUES</u>		<u>NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION</u>		
<u>EXPENSES</u>	<u>CHARGES FOR SERVICES</u>	<u>OPERATING GRANTS & CONTRIBUTIONS</u>	<u>GOVERNMENTAL ACTIVITIES</u>	<u>BUSINESS-TYPE ACTIVITIES</u>	<u>TOTAL</u>
Total Primary Government	\$ 52,578,309	\$ 1,931,148	\$ 13,415,766	(37,221,665)	(37,231,395)
General Revenues:					
Taxes:					
County Appropriations			15,129,684	-	15,129,684
Federal & State Aid Not Restricted			14,850,123	-	14,850,123
Tuition Charges			6,781,709	-	6,781,709
Miscellaneous			126,212	-	126,212
Transfers			(37,855)	37,855	-
Special Items:					
Loss on Disposal of Capital Assets			(4,898)	-	(4,898)
Board Contribution to County			(960,796)	-	(960,796)
Total General Revenues			35,884,179	37,855	35,922,034
Change In Net Position			(1,337,486)	28,125	(1,309,361)
Net Position - Beginning			36,245,893	148,711	36,394,604
Net Position - Ending			\$ 34,908,407	\$ 176,836	\$ 35,085,243

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

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B. Fund Financial Statements

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Governmental Funds

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**BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2018**

ASSETS	GENERAL FUND	SPECIAL REVENUE FUND	TOTALS
Cash & Cash Equivalents	\$ 2,965,908	\$ -	\$ 2,965,908
Accounts Receivable:			
Federal	5,812	93,401	99,213
State	43,423	3,052	46,475
Other	180,108	-	180,108
Restricted Cash & Cash Equivalents	<u>2,906,184</u>	<u>-</u>	<u>2,906,184</u>
 Total Assets	 <u>\$ 6,101,435</u>	 <u>\$ 96,453</u>	 <u>\$ 6,197,888</u>

LIABILITIES & FUND BALANCES

Liabilities:			
Cash Deficit	\$ -	\$ 96,453	\$ 96,453
Accounts Payable	1,090,895	-	1,090,895
Unearned Revenue	7,278	-	7,278
Accrued Salaries & Wages	<u>757,247</u>	<u>-</u>	<u>757,247</u>
 Total Liabilities	 <u>1,855,420</u>	 <u>96,453</u>	 <u>1,951,873</u>
Fund Balances:			
Restricted:			
Capital Reserve	2,906,184	-	2,906,184
Assigned to:			
Other Purposes	2,497,196	-	2,497,196
Unassigned:			
General Fund	<u>(1,157,365)</u>	<u>-</u>	<u>(1,157,365)</u>
 Total Fund Balances	 <u>4,246,015</u>	 <u>-</u>	 <u>4,246,015</u>
 Total Liabilities & Fund Balances	 <u>\$ 6,101,435</u>	 <u>\$ 96,453</u>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$93,935,138 and the accumulated depreciation is \$46,869,137. 47,066,001

Deferred outflows and inflows of resources related to pensions are applicable to future reporting periods and therefore are not reported in the funds.

Deferred Outflows related to pensions	5,064,239
Deferred Inflows related to pensions	(3,785,208)

Accrued pension contributions for the June 30, 2018 plan year are not paid with current economic resources and are therefore not reported as a liability in the funds, but are included in accounts payable in the government-wide statement of net position. (611,000)

Long-term liabilities, including net pension liability and bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. (17,071,640)

Net position of Governmental Activities \$ 34,908,407

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

BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	TOTALS
Revenues:				
Local Sources:				
Local Tax Levy	\$ 15,129,684	\$ -	\$ -	\$ 15,129,684
Tuition Charges	6,781,709	-	-	6,781,709
Miscellaneous	126,212	-	-	126,212
Total Local Sources	<u>22,037,605</u>	-	-	<u>22,037,605</u>
State Sources	18,704,656	117,906	-	18,822,562
Federal Sources	26,817	1,384,030	-	1,410,847
Total Revenues	<u>40,769,078</u>	<u>1,501,936</u>	-	<u>42,271,014</u>
Expenditures:				
Instruction:				
Regular Instruction	5,420,559	1,010,441	-	6,431,000
Special Education Instruction	1,778,049	-	-	1,778,049
Vocational Education	4,550,735	-	-	4,550,735
Other Instruction	1,192,601	-	-	1,192,601
Support Services & Undistributed Costs:				
Student & Instruction Related Services	3,160,376	203,733	-	3,364,109
Other Administrative Services	707,247	-	-	707,247
School Administrative Services	5,183,778	-	-	5,183,778
Plant Operations & Maintenance	5,067,123	-	-	5,067,123
Pupil Transportation	426,852	-	-	426,852
On Behalf TPAF Pension and Social Security Contributions				
Security Contributions	4,034,431	-	-	4,034,431
Unallocated Benefits	6,164,520	134,681	-	6,299,201
Special Schools	266,312	-	-	266,312
Capital Outlay	1,158,409	153,081	-	1,311,490
Debt Service:				
Interest & Other Charges	236,013	-	-	236,013
Total Expenditures	<u>39,347,005</u>	<u>1,501,936</u>	-	<u>40,848,941</u>
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	<u>1,422,073</u>	-	-	<u>1,422,073</u>
Other Financing Sources/(Uses):				
Operating Transfers In (Out) -				
Transfer Out - Food Service Fund	(100,000)	-	-	(100,000)
Board Contribution to County	(960,796)	-	-	(960,796)
Transfer In/(Out)	351,004	-	(351,004)	-
Transfer In - Other Enterprise Funds	62,145	-	-	62,145
Total Other Financing Sources/(Uses)	<u>(647,647)</u>	-	<u>(351,004)</u>	<u>(998,651)</u>
Excess/(Deficiency) of Revenues & Other Financing Sources Over/(Under) Expenditures & Other Financing Uses	774,426	-	(351,004)	423,422
Fund Balances July 1	3,471,589	-	351,004	3,822,593
Fund Balances June 30	<u>\$ 4,246,015</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,246,015</u>

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

**BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
6/30/2018**

Total Net Changes in Fund Balances - Governmental Funds (B-2) \$ 423,422

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

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

Depreciation Expense	\$	(2,578,047)	
Loss on Disposal of Capital Assets		(4,898)	
Capital Outlays		<u>1,322,046</u>	(1,260,899)

Governmental funds report School District pension contributions as expenditures. However in the statement of activities, the cost of pension benefits earned is reported as pension expense. This is the amount by which pension benefits earned exceeded the School District's pension contributions in the current period. (583,270)

In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+). 83,261

Change in Net Position of Governmental Activities \$ (1,337,486)

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Proprietary Funds

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**BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY
ENTERPRISE FUNDS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2018**

ASSETS	FOOD SERVICE FUND	SCHOOL STORE	FIRE SCHOOL	ADULT EDUCATION	SUMMER CAMPS	TOTALS
Current Assets:						
Cash	\$ 87,885	\$ -	\$ 91,773	\$ -	\$ 47,365	\$ 227,023
Accounts Receivable:						
State	735	-	-	-	-	735
Federal	47,841	-	-	-	-	47,841
Other	4,908	-	-	138,537	-	143,445
Inventories	16,407	20,803	-	-	-	37,210
Total Current Assets	<u>157,776</u>	<u>20,803</u>	<u>91,773</u>	<u>138,537</u>	<u>47,365</u>	<u>456,254</u>
Capital Assets:						
Equipment	14,356	-	-	-	-	14,356
Less: Accumulated Depreciation	<u>(8,611)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(8,611)</u>
Total Capital Assets	<u>5,745</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,745</u>
Total Assets	<u>163,521</u>	<u>20,803</u>	<u>91,773</u>	<u>138,537</u>	<u>47,365</u>	<u>461,999</u>
LIABILITIES						
Current Liabilities:						
Cash Deficit	-	-	-	72,122	-	72,122
Unearned Revenue	855	-	-	50,879	45,300	97,034
Accounts Payable	111,786	-	-	1,750	2,471	116,007
Total Liabilities	<u>112,641</u>	<u>-</u>	<u>-</u>	<u>124,751</u>	<u>47,771</u>	<u>285,163</u>
NET POSITION						
Investment in Capital Assets	5,745	-	-	-	-	5,745
Unrestricted	45,135	20,803	91,773	13,786	(406)	171,091
Total Net Position	<u>\$ 50,880</u>	<u>\$ 20,803</u>	<u>\$ 91,773</u>	<u>\$ 13,786</u>	<u>\$ (406)</u>	<u>\$ 176,836</u>

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

BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY
ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUES
EXPENSES AND CHANGES IN FUND NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	FOOD SERVICE FUND	SCHOOL STORE	FIRE SCHOOL	ADULT EDUCATION	BEAVER'S DEN CHILD CARE	SUMMER CAMPS	TOTALS
Operating Revenues:							
Local Sources:							
Fees	\$ -	\$ -	\$ 124,460	\$ 1,101,728	\$ -	\$ 52,725	\$ 1,278,913
Daily Sales-Reimbursable Programs	187,651	-	-	-	-	-	187,651
Daily Sales-Non-Reimbursable Program	293,677	-	-	-	-	-	293,677
Miscellaneous	25,787	-	-	419	-	10	26,216
Special Functions	144,691	-	-	-	-	-	144,691
Total Operating Revenue	651,806	-	124,460	1,102,147	-	52,735	1,931,148
Operating Expenses:							
Cost of sales-reimbursable programs	301,057	-	-	-	-	-	301,057
Cost of sales-non-reimbursable programs	228,880	-	-	-	-	-	228,880
Administrative Fees	88,740	-	-	-	-	-	88,740
Employee Benefits	139,700	-	-	76,836	-	-	216,536
Insurance	18,218	-	-	-	-	-	18,218
Miscellaneous	33,969	-	127,581	49,250	-	-	210,800
Depreciation	1,435	-	-	-	-	-	1,435
Professional Services	-	-	-	159,830	-	-	159,830
Salaries	373,426	-	84,835	572,403	-	45,629	1,076,293
Supplies	86,887	-	-	74,306	-	7,258	168,451
Textbooks	-	-	28,182	6,702	-	-	34,884
Tuition	-	-	2,506	-	-	-	2,506
Total Operating Expenses	1,272,312	-	243,104	939,327	-	52,887	2,507,630
Operating Income/(Loss)	(620,506)	-	(118,644)	162,820	-	(152)	(576,482)
Nonoperating Revenues (Expenses)							
State Sources:							
State School Lunch Program	7,867	-	-	-	-	-	7,867
Federal Sources:							
Vocational Rehabilitation Services	-	-	-	12,343	-	-	12,343
School Breakfast Program	139,364	-	-	-	-	-	139,364
National School Lunch Program	346,388	-	-	-	-	-	346,388
Food Distribution Program	60,790	-	-	-	-	-	60,790
Transfer From/(To) General Fund	100,000	-	-	-	(62,145)	-	37,855
Total Nonoperating Revenue (Expenses)	654,409	-	-	12,343	(62,145)	-	566,752
Change in Net Position	33,903	-	(118,644)	175,163	(62,145)	(152)	28,125
Total Net Position - Beginning	16,977	20,803	210,417	(161,377)	62,145	(254)	148,711
Total Net Position - Ending	\$ 50,880	\$ 20,803	\$ 91,773	\$ 13,786	\$ -	\$ (406)	\$ 176,836

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

**BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY
ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	FOOD SERVICE FUND	FIRE SCHOOL	ADULT EDUCATION	BEAVER'S DEN CHILD CARE	SUMMER CAMPS	TOTALS
Cash Flows from Operating Activities:						
Receipts from Customers	\$ 598,322	\$ 124,460	\$ 927,497	\$ -	\$ 50,310	\$ 1,700,589
Payments to Employees	(373,426)	(84,835)	(572,403)	-	(45,629)	(1,076,293)
Payments for Employee Benefits	(139,700)	-	(76,836)	-	-	(216,536)
Payments to Suppliers	(652,013)	(158,269)	(288,756)	-	(6,211)	(1,105,249)
Net Cash Provided/(Used) by Operating Activities	(566,817)	(118,644)	(10,498)	-	(1,530)	(697,489)
Cash Flows From Noncapital Financing Activities:						
Cash Received From State & Federal Programs	554,409	-	12,343	-	-	566,752
Transfer From/(To) General Fund	100,000	-	-	(66,020)	-	33,980
Net Cash Provided by Noncapital Financing Activities	654,409	-	12,343	(66,020)	-	600,732
Net Increase/(Decrease) in Cash & Cash Equivalents	87,592	(118,644)	1,845	(66,020)	(1,530)	(96,757)
Balances - Beginning of Year	293	210,417	(73,967)	66,020	48,895	251,658
Balances - Ending of Year	\$ 87,885	\$ 91,773	\$ (72,122)	\$ -	\$ 47,365	\$ 154,901

Reconciliation of Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities:

Operating Income (Loss)	\$ (620,506)	\$ (118,644)	\$ 162,820	\$ -	\$ (152)	\$ (576,482)
Adjustments to Reconcile Operating Income (Loss) to Cash Provided by (Used in) Operating Activities:						
Depreciation Expense	1,435	-	-	-	-	1,435
Change in Assets & Liabilities:						
(Increase)/Decrease in Accounts Receivable	(53,484)	-	(103,648)	-	-	(157,132)
(Increase)/Decrease in Inventory	(6,903)	-	-	-	-	(6,903)
Increase/(Decrease) in Unearned Revenue	855	-	(71,002)	-	(2,425)	(72,572)
Increase/(Decrease) in Accounts Payable	111,786	-	1,332	-	1,047	114,165
Net Cash Provided/(Used) by Operating Activities	\$ (566,817)	\$ (118,644)	\$ (10,498)	\$ -	\$ (1,530)	\$ (697,489)

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

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Fiduciary Fund

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**BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2018**

ASSETS	PRIVATE PURPOSE		AGENCY FUNDS		TOTALS
	UNEMPLOYMENT COMPENSATION INSURANCE	STUDENT ACTIVITY	PAYROLL		
Cash & Cash Equivalents	\$ 621,670	\$ 107,585	\$ 271,973	\$ 1,001,228	
Total Assets	621,670	107,585	271,973	1,001,228	
LIABILITIES					
Accounts Payable	7,473	-	-	7,473	
Payroll Deductions & Withholdings	-	-	155,055	155,055	
Due to Employees	-	-	116,918	116,918	
Due to Student Groups	-	107,585	-	107,585	
Total Liabilities	7,473	107,585	271,973	387,031	
NET POSITION					
Restricted - Held in Trust for Unemployment Claims	614,197	-	-	614,197	
Total Net Position	\$ 614,197	\$ -	\$ -	\$ 614,197	

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

**BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2018**

	PRIVATE PURPOSE <u>UNEMPLOYMENT COMPENSATION INSURANCE</u>	TOTALS
ADDITIONS		
Contributions:		
Plan Members	\$ 54,363	\$ 54,363
Total Contributions	<u>54,363</u>	<u>54,363</u>
DEDUCTIONS		
Unemployment Compensation		
Insurance Claims	<u>97,834</u>	<u>97,834</u>
Total Deductions	<u>97,834</u>	<u>97,834</u>
Change in Net Position	(43,471)	(43,471)
Net Position - Beginning of the Year	<u>657,668</u>	<u>657,668</u>
Net Position - End of the Year	<u>\$ 614,197</u>	<u>\$ 614,197</u>

BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2018

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BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2018

Note 1. Summary of Significant Accounting Policies

Basis of Presentation

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

Reporting Entity

The Burlington County Institute of Technology is a Type I District located in the County of Burlington, State of New Jersey. As a Type I district, the School District functions independently through a Board of Education. The Board is comprised of appointed officials by the County Freeholders and is responsible for the fiscal control of the District. A Superintendent is appointed by the Board and is responsible for the administrative control of the District. The Board is comprised of six members appointed to four year terms, which are staggered so that one member’s term expires each year. In addition the County Superintendent services as an ex-officio member. There are two campuses, Woodlane Road in Westampton Township and Hawkins Road in Medford Township. The District provides a full range of education services appropriated to grade levels 9 through 12. The Burlington County Institute of Technology has an approximate enrollment at June 30, 2018 of 2,012 students.

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

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

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

Component Units

GASB Statement No.14. *The Financial Reporting Entity*, provides guidance that all entities associated with a primary government are potential component units and should be evaluated for inclusion in the financial reporting entity. A primary government is financially accountable not only for the organizations that make up its legal entity but also for legally separate organizations that meet the criteria established by GASB Statement No. 14, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, and GASB 61, *The Financial Reporting Entity: Omnis – an Amendment of GASB Statements No. 14 and No. 34*. As of June 30, 2018, the School District had no component units.

BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2018 (continued)

Note 1. Summary of Significant Accounting Policies (continued)

Government-Wide Financial Statements

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

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

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

Governmental Fund Financial Statements

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

All governmental funds are accounted for on a spending or "current financial resources" measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the Balance Sheets. (The District's deferred outflows of resources and deferred inflows of resources are noncurrent.) The Statement of Revenues, Expenditures and Changes in Fund Balances present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Accordingly, revenues are recorded when received in cash, except that revenues subject to accrual (generally 60 days after year-end) are recognized when due. The primary revenue sources, which have been treated as susceptible to accrual by the District, are property tax and intergovernmental revenues and other taxes. Expenditures are recorded in the accounting period in which the related fund liability is incurred.

Proprietary Fund Financial Statements

Proprietary fund financial statements include a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Fund Net Position, and a Statement of Cash Flows for each major proprietary

BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2018 (continued)

Note 1. Summary of Significant Accounting Policies (continued)

fund and for the non-major funds aggregated. A column representing internal service funds is also presented in these statements. However, internal service funds balances and activities have been combined with the governmental activities in the Government-Wide financial statements.

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

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

Fiduciary Fund Financial Statements

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

Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

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

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the

BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2018 (continued)

Note 1. Summary of Significant Accounting Policies (continued)

District considers revenues to be available if they are collected within 60 days of the end of the current fiscal year-end. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital assets acquisitions are reported as expenditures in the governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

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

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

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

The District reports the following major governmental funds:

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

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

Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, interest earnings and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to capital assets for land, existing buildings,

BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018 (continued)**

Note 1. Summary of Significant Accounting Policies (continued)

improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to Current Expense by board resolution

Special Revenue Fund – The special revenue fund is used to account for the proceeds of specific revenue from state and federal government, other than major capital projects, debt service or proprietary funds, and local appropriations that are restricted or committed to expenditures for specified purposes.

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

The District reports the following major proprietary funds:

Food Service Fund – This fund accounts for the revenues and expenses pertaining to the District’s cafeteria operations.

School Store Fund – This fund accounts for the revenues and expenses pertaining to the District’s school store operations.

Fire School Fund – This fund accounts for the revenues and expenses pertaining to the District’s fire school operations.

Adult Education Fund – This fund accounts for the revenues and expenses pertaining to the District’s adult education operations.

Beaver’s Den Child Care Fund – This fund accounts for the revenues and expenses pertaining to the District’s child care program operations.

Summer Camps Fund – This fund accounts for the revenues and expenses pertaining to the District’s summer camp operations.

Additionally, the District reports the following major fiduciary funds:

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

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

BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2018 (continued)

Note 1. Summary of Significant Accounting Policies (continued)

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

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

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Budgets/Budgetary Control

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

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

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

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

BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2018 (continued)

Note 1. Summary of Significant Accounting Policies (continued)

Exhibit C-3 presents a reconciliation of the general fund revenues and special revenue fund revenues and expenditures from the budgetary basis of accounts as presented in the General Fund Budgetary Comparison Schedules and the Special Revenue Fund Budgetary Comparison Schedule to the GAAP

basis of accounting as presented in the Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds. Note that the District does not report encumbrances outstanding at fiscal year-end as expenditures in the general fund since the general fund budget follows modified accrual basis with the exception of the revenue recognition policy for the last state aid payments.

Encumbrances

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

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

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

Cash and Cash Equivalents

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

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

Additionally, the District has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (“GUDPA”). GUDPA was enacted in 1970 to protect Governmental Units from loss of funds on deposit with a failed banking institution in New Jersey.

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

BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018 (continued)**

Note 1. Summary of Significant Accounting Policies (continued)

Tuition Payable/Receivable

Tuition rates for the fiscal year end June 30, 2018 were established by the receiving district based on estimated costs. The charges are subject to adjustment when the final costs have been determined.

Inventories

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

Interfund Receivables/Payables

Interfund receivables/payables represent amounts that are owed, other than charges for goods or services rendered to/from a particular fund in the District and that are due within one year. The amounts are eliminated in the governmental and business-type activities, which are presented as Internal Balances. Balances with fiduciary funds are not considered Internal Balances; therefore those balances are reported on the Statement of Net Position.

Capital Assets

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

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

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

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

Compensated Absences

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

BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2018 (continued)

Note 1. Summary of Significant Accounting Policies (continued)

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

The entire compensated absences liability is reported on the government-wide financial statements and proprietary fund financial statements. Compensated absences liability is not recorded in the governmental funds. Instead expenditures are recognized in the governmental funds as payments come due each period, for example, as a result of resignations or retirements.

Unearned Revenue

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

Accrued Liabilities and Long-Term Obligations

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

Accounting Estimates

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

Interfund Activity

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

Fund Balance

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

BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2018 (continued)

Note 1. Summary of Significant Accounting Policies (continued)

- Non-spendable – This classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. Non-spendable items are not expected to be converted to cash or are not expected to be converted to cash within the next year.
- Restricted – This classification includes amounts for which constraints have been placed on the use of the resources either externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.
- Committed – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Education. These amounts cannot be used for any other purpose unless the Board of Education removes or changes the specified use by taking the same type of action (resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The School Board did not have any committed resources as of June 30, 2018.
- Assigned – This classification includes amounts that are constrained by the School District's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Board of Education or through the Board of Education delegating this responsibility to the business administrator through the budgetary process. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund.
- Unassigned – This classification includes the residual fund balance for the General Fund. The Unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of Assigned fund balance amounts.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, it is the District's policy to consider restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, it is the District's policy to consider amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board has provided otherwise in its commitment or assignment actions.

Net Position

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

- Net Investment in Capital Assets – This component represents capital assets, net of accumulated depreciation, net of outstanding balances of borrowings used for acquisition, construction, or improvement of those assets.

BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2018 (continued)

Note 1. Summary of Significant Accounting Policies (continued)

- Restricted – Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.
- Unrestricted – Net position is reported as unrestricted when it does not meet the criteria of the other two components of net position.

Impact of Recently Issued Accounting Principles

Adopted Accounting Pronouncements

The following GASB Statements became effective for the fiscal year ended June 30, 2018:

Statement No. 75, Accounting and Financial Reporting for Post-employment Benefits Other than Pensions. This Statement replaces the requirements of Statement No. 45, Accounting and Financial Reporting by Employers for Post-employment Benefits Other Than Pensions, as amended, and No. 57, OPEB Measurements by Agency Employers and Agent Multi-Employer Plans, for OPEB Statement No. 74, Financial Reporting for Post-employment Benefit Plans Other Than Pension Plans, establishes new accounting and financial reporting requirements for OPEB Plans.

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

Recently Issued Accounting Pronouncements

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

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

Statement No. 84, Fiduciary Activities. The Statement intends to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. To that end, Statement No. 84 establishes criteria for identifying fiduciary activities of all state and local governments and clarifies whether and how business-type activities should report their fiduciary activities. Statement No. 84 is effective for reporting periods beginning after December 15, 2018. Management has not yet determined the potential impact on the School District's financial statements.

BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2018 (continued)

Note 1. Summary of Significant Accounting Policies (continued)

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

Statement No. 88, Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements. The Governmental Accounting Standards Board (GASB) has issued a new standard with guidance the GASB believes will enhance debt-related disclosures in notes to financial statements, including those addressing direct borrowings and direct placements. The new standard clarifies which liabilities governments should include in their note disclosures related to debt. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018. Management has not yet determined the potential impact on the School District's financial statements.

Bond Premiums, Discounts and Issuance Costs

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

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

Deferred Loss on Refunding Debt

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

Deferred Outflows and Deferred Inflows of Resources

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

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

BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018 (continued)**

Note 1. Summary of Significant Accounting Policies (continued)

Pensions

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

Note 2. Deposits and Investments

Deposits

Custodial Credit Risk – Custodial credit risk is the risk that, in the event of a bank failure, the Board's deposits may not be recovered. Although the Board does not have a formal policy regarding custodial credit risk, NJSA 17:9-41 et seq. requires that the governmental units shall deposit public funds in public depositories protected from loss under the provisions of GUDPA. Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by FDIC. Public fund owned by the Board in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, student activity fund or other funds that may pass to the Board relative to the happening of a future condition. Such funds are shown as Uninsured and Uncollateralized in the schedule below. As of June 30, 2018, the School District's bank balance of \$8,430,560 was exposed to custodial credit risk as follows:

Insured under FDIC and GUDPA	\$ 7,316,927
Uninsured and Uncollateralized	<u>1,113,633</u>
	<u>\$ 8,430,560</u>

Investments

The School District had no investments at June 30, 2018.

Note 3. Reserve Accounts

Capital Reserve

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

BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018 (continued)**

Note 3. Reserve Accounts (continued)

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

The activity of the capital reserve for the July 1, 2017 to June 30, 2018 fiscal year is as follows:

Ending Balance, June 30, 2017 & 2018	\$ 2,906,184
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Note 4. Accounts Receivable

Accounts receivable at June 30, 2018 consisted of accounts and intergovernmental grants. All receivables are considered collectible in full due to the stable condition of state and federal programs, the current fiscal year guarantee of federal funds and the budgetary control of New Jersey governmental entities. Accounts receivable in the School District's governmental and business-type activities as of June 30, 2018, consisted of the following:

<u>Description</u>	<u>Governmental Funds</u>			<u>Proprietary Funds</u>		<u>Total Business-Type Activities</u>
	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total Governmental Activities</u>	<u>Food Service</u>	<u>Adult Education</u>	
Federal Awards	\$ 5,812	\$ 93,401	\$ 99,213	\$ 47,841	\$ -	\$ 47,841
State Awards	43,423	3,052	46,475	735	-	735
Tuition	167,637	-	167,637	-	138,537	138,537
Other	12,471	-	12,471	4,908	-	4,908
Total	\$ 229,343	\$ 96,453	\$ 325,796	\$ 53,484	\$ 138,537	\$ 192,021

Note 5. Capital Assets

Capital assets activity for the year ended June 30, 2018 was as follows:

BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018 (continued)**

Note 5. Capital Assets (continued)

	Balance July 1, <u>2017</u>	<u>Additions</u>	Retirements and Transfers	Balance June 30, <u>2018</u>
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 379,000	\$ -	\$ -	\$ 379,000
Total Capital Assets not being depreciated	<u>379,000</u>	<u>-</u>	<u>-</u>	<u>379,000</u>
Capital Assets being depreciated:				
Land Improvements	7,430,320	22,620	-	7,452,940
Buildings and Improvements	74,785,411	709,467	-	75,494,878
Equipment	10,221,780	589,959	(203,419)	10,608,320
Total Capital Assets being depreciated	<u>92,437,511</u>	<u>1,322,046</u>	<u>(203,419)</u>	<u>93,556,138</u>
Less: Accumulated Depreciation:				
Land Improvements	(3,527,654)	(398,720)	-	(3,926,374)
Buildings and Improvements	(34,933,765)	(1,517,706)	-	(36,451,471)
Equipment	(6,028,192)	(661,621)	198,521	(6,491,292)
Total Accumulated Depreciation	<u>(44,489,611)</u>	<u>(2,578,047)</u>	<u>198,521</u>	<u>(46,869,137)</u>
Total Capital Assets being depreciated, net	<u>47,947,900</u>	<u>(1,256,001)</u>	<u>(4,898)</u>	<u>46,687,001</u>
Total Governmental Activities Capital Assets, net	<u>\$ 48,326,900</u>	<u>\$ (1,256,001)</u>	<u>\$ (4,898)</u>	<u>\$ 47,066,001</u>

	Balance July 1, <u>2017</u>	<u>Additions</u>	Retirements and Transfers	Balance June 30, <u>2018</u>
Business-Type Activities:				
Equipment	14,356	-	-	14,356
	<u>14,356</u>	<u>-</u>	<u>-</u>	<u>14,356</u>
Less: Accumulated Depreciation:				
Equipment	(7,176)	(1,435)	-	(8,611)
	<u>(7,176)</u>	<u>(1,435)</u>	<u>-</u>	<u>(8,611)</u>
Total Business-Type Activities Capital Assets, net	<u>\$ 7,180</u>	<u>\$ (1,435)</u>	<u>\$ -</u>	<u>\$ 5,745</u>

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

Note 6. Interfund Receivables, Payables and Transfers

There were no individual interfund receivables/payables balances at June 30, 2018.

BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018 (continued)**

Note 6. Interfund Receivables, Payables and Transfers (continued)

A summary of interfund transfers is as follows:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 413,149	\$ 100,000
Capital Projects Fund	-	351,004
Food Service Fund	100,000	-
Beaver's Den Child Care Fund	-	62,145
	<u>\$ 513,149</u>	<u>\$ 513,149</u>

Note 7. Long-Term and Short-Term Obligations

Long-Term

During the fiscal year-ended June 30, 2018 the following changes occurred in long-term obligations for the governmental activities:

	<u>Balance July 1, 2017</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2018</u>	<u>Balance Due Within One Year</u>
Governmental Activities:					
Compensated Absences	\$ 1,974,251	\$ -	\$ 83,261	\$ 1,890,990	\$ -
Net Pension Liability	20,270,326	-	5,089,676	15,180,650	-
	<u>\$ 22,244,577</u>	<u>\$ -</u>	<u>\$ 5,172,937</u>	<u>\$ 17,071,640</u>	<u>\$ -</u>

For governmental activities, compensated absences and net pension liability are liquidated by the general fund.

Bonds Authorized but not Issued

As of June 30, 2018, the School District had no bonds authorized but not issued.

Short-Term

During the fiscal year-ended June 30, 2018 the following changes occurred in short-term obligations for the governmental activities:

BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018 (continued)**

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

	Balance <u>July 1, 2017</u>	<u>Additions</u>	<u>Reductions</u>	Balance <u>June 30, 2018</u>	Balance Due Within <u>One Year</u>
Governmental Activities:					
Line of Credit	\$ -	\$ 3,000,000	\$ 3,000,000	\$ -	\$ -
	<u>\$ -</u>	<u>\$ 3,000,000</u>	<u>\$ 3,000,000</u>	<u>\$ -</u>	<u>\$ -</u>

Line of Credit

The district was issued a line of credit from Investors Bank with a principal amount of \$4,600,000 for a one-year term with a prime interest rate on October 4, 2016 and extended on December 1, 2017. The district drew down \$3,000,000 on December 18, 2017 and repaid the outstanding balance on January 22, 2018. As of June 30, 2018 there was no outstanding payable amounts.

Note 8. Pension Plans

A. Public Employees' Retirement System (PERS)

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

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

The following represents the membership tiers for PERS:

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

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 before age 62 with 25 or more years of service credit and tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred

BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2018 (continued)

Note 8. Pension Plans (continued)

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

retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Contributions - The contribution policy for PERS is set by *N.J.S.A. 15A* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2017, the State's pension contribution was less than the actuarial determined amount.

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

Pension Liability, Pension Expense and Deferred Outflows/Inflows of Resources - At June 30, 2018, the School District reported a liability of \$15,180,650 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2017. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2016, to the measurement date of June 30, 2017. The School District's proportion of the net pension liability was based on the School District's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2017. The School District's proportion measured as of June 30, 2017, was 0.0652134536%, which was a decrease of 0.0032277638% from its proportion measured as of June 30, 2016.

For the year ended June 30, 2018, the School District recognized full accrual pension expense of \$1,239,053 in the government-wide financial statements. This pension expense was based on the pension plans June 30, 2017 measurement date. At June 30, 2018 the School District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018 (continued)**

Note 8. Pension Plans (continued)

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience	\$ 357,452	\$ -
Changes of Assumptions	3,058,378	3,047,165
Net Difference between Projected and Actual Earnings on Pension Plan Investments	103,370	-
Changes in Proportion and Differences between District Contributions and Proportionate Share of Contributions	934,039	738,043
School District contributions subsequent to measurement date	<u>611,000</u>	<u>-</u>
	<u>\$ 5,064,239</u>	<u>\$ 3,785,208</u>

\$611,000 reported as deferred outflows of resources resulting from school district contributions subsequent to the measurement date is estimated based on unadjusted 2017-2018 total salaries for PERS employees multiplied by an employer pension contribution rate of 13.37%. The payable is due on April 1, 2019 and will be recognized as a reduction of the net pension liability in the year ended June 30, 2019. The other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Client Year Ending <u>June 30,</u>	<u>Amount</u>
2019	\$ 478,049
2020	645,958
2021	448,104
2022	(527,931)
2023	<u>(376,149)</u>
	<u>\$ 668,031</u>

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:

BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018 (continued)**

Note 8. Pension Plans (continued)

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

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between Expected and Actual Experience		
Year of Pension Plan Deferral:		
June 30, 2014	-	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
June 30, 2017	5.48	-
 Changes of Assumptions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
June 30, 2017	-	5.48
 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	-
June 30, 2017	5.00	-
 Changes in Proportion and Differences between District Contributions and Proportionate Share of Contributions		
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
June 30, 2017	5.48	5.48

The previous amounts do not include employer specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by each employer over the average of the expected remaining service lives of all plan members, which is 5.48, 5.57, 5.72 and 6.44 years for the 2017, 2016, 2015, and 2014 amounts, respectively.

BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018 (continued)**

Note 8. Pension Plans (continued)

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

Actuarial Assumptions – The collective total pension liability for the June 30, 2017 measurement date was determined by an actuarial valuation as of July 1, 2016, which was rolled forward to June 30, 2017. This actuarial valuation used the following assumptions:

Inflation	2.25%
Salary Increases:	
Through 2026	1.65% - 4.15% Based on Age
Thereafter	2.65% - 5.15% Based on Age
Investment Rate of Return	7.00%
Mortality Rate Table	RP-2000
Period of Actuarial Experience	
Study upon which Actuarial	
Assumptions were Based	July 1, 2011 - June 30, 2014

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

The actuarial assumptions used in the July 1, 2016 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2017) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation

percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2017 are summarized in the following table:

BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018 (continued)**

Note 8. Pension Plans (continued)

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Absolute Return/Risk Mitigation	5.00%	5.51%
Cash	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment grade credit	10.00%	3.78%
Public High Yield	2.50%	6.82%
Global Diversified Credit	5.00%	7.10%
Credit Oriented Hedge Funds	1.00%	6.60%
Debt Related Private Equity	2.00%	10.63%
Debt Related Real Estate	1.00%	6.61%
Private Real Asset	2.50%	11.83%
Equity Related Real Estate	6.25%	9.23%
U.S. Equity	30.00%	8.19%
Non-U.S. Developed Markets Equity	11.50%	9.00%
Emerging Markets Equity	6.50%	11.64%
Buyouts/Venture Capital	8.25%	13.08%
	<u>100.00%</u>	

Discount Rate - The discount rate used to measure the total pension liability was 5.00% as of June 30, 2017. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.58% as of June 30, 2017 based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipals bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 40% 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 2040. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2040 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the School District's proportionate share of the Net Pension Liability to Changes in the Discount Rate - The following presents the School District's proportionate share of the net pension liability as of June 30, 2017, calculated using the discount rate of 5.00% as well as what the School District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018 (continued)**

Note 8. Pension Plans (continued)

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

	1% Decrease <u>(4.00%)</u>	Current Discount Rate <u>(5.00%)</u>	1% Increase <u>(6.00%)</u>
District's Proportionate Share of the Net Pension Liability	<u>\$ 18,832,626</u>	<u>\$ 15,180,650</u>	<u>\$ 12,138,101</u>

Additional Information - The following is a summary of the collective balances of the local group at June 30, 2018 and 2017

Collective Balances at June 30, 2018 and June 30, 2017

	<u>6/30/2018</u>	<u>6/30/2017</u>
Actuarial valuation date (including roll forward)	June 30, 2017	June 30, 2016
Deferred Outflows of Resources	\$ 5,064,239	\$ 6,570,418
Deferred Inflows of Resources	3,785,208	229,441
Net Pension Liability	15,180,650	20,270,326
District's portion of the Plan's total net pension Liability	0.06521%	0.06844%

B. Teachers' Pension and Annuity Fund (TPAF)

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

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

The following represents the membership tiers for TPAF:

BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018 (continued)**

Note 8. Pension Plans (continued)

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

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

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

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

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

Pension Liability and Pension Expense - The State's proportionate share of the TPAF net pension liability, attributable to the School District as of June 30, 2017 was \$90,032,997. The School District's proportionate share was \$-0-.

The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2016, which was rolled forward to June 30, 2017. The State's proportionate share of the net pension liability associated with the District was based on projection of the State's long-term contributions to the pension plan associated with the District relative to the projected contributions by the State associated with all participating school districts, actuarially determined. At June 30, 2017, the State proportionate share of the TPAF net pension liability attributable to the School District was 0.1335333463%, which was an increase of 0.0015453753% from its proportion measured as of June 30, 2016.

BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018 (continued)**

Note 8. Pension Plans (continued)

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

For the fiscal year ended June 30, 2018, the School District recognized \$3,140,747 in on-behalf pension expense and revenue in the government-wide financial statements, for the State of New Jersey on-behalf TPAF pension contributions. This pension expense and revenue was based on the pension plans June 30, 2017 measurement date.

Actuarial Assumptions – The total pension liability for the June 30, 2017 measurement date was determined by an actuarial valuation as of July 1, 2016, which was rolled forward to June 30, 2017. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation Rate	2.25%
Salary Increases:	
2012-2021	Varies based on experience
Thereafter	Varies based on experience
Investment Rate of Return	7.00%

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

The actuarial assumptions used in the July 1, 2016 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 (7.00% at June 30, 2017) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2016 are summarized in the following table:

BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018 (continued)**

Note 8. Pension Plans (continued)

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Absolute Return/Risk Mitigation	5.00%	5.51%
Cash	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment grade credit	10.00%	3.78%
Public High Yield	2.50%	6.82%
Global Diversified Credit	5.00%	7.10%
Credit Oriented Hedge Funds	1.00%	6.60%
Debt Related Private Equity	2.00%	10.63%
Debt Related Real Estate	1.00%	6.61%
Private Real Asset	2.50%	11.83%
Equity Related Real Estate	6.25%	9.23%
U.S. Equity	30.00%	8.19%
Non-U.S. Developed Markets Equity	11.50%	9.00%
Emerging Markets Equity	6.50%	11.64%
Buyouts/Venture Capital	8.25%	13.08%
	<hr/>	
	100.00%	
	<hr/>	

Discount Rate - The discount rate used to measure the total pension liability was 4.25% as of June 30, 2017. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.58% as of June 30, 2017, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipals bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The State contributed 40% 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 2036. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2036, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the School District's proportionate share of the Net Pension Liability to Changes in the Discount Rate – As previously mentioned, TPAF has a special funding situation where the State pays 100% of the School District's annual required contribution. The following represents the State's proportionate share of the net pension liability, attributable to the School District calculated using the discount rate of 4.25% as well as what the State's proportionate share of the net pension liability, attributable to the School District's would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018 (continued)**

Note 8. Pension Plans (continued)

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

	1% Decrease <u>(3.25%)</u>	Current Discount Rate <u>(4.25%)</u>	1% Increase <u>(5.25%)</u>
District's Proportionate Share of the Net Pension Liability	\$ -	\$ -	\$ -
State of New Jersey's Proportionate Share of Net Pension Liability associated with the District	<u>\$ 106,962,025</u>	<u>\$ 90,032,997</u>	<u>\$ 76,086,791</u>
	<u><u>\$ 106,962,025</u></u>	<u><u>\$ 90,032,997</u></u>	<u><u>\$ 76,086,791</u></u>

Pension Plan Fiduciary Net Position - For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Teachers' Pension and Annuity Fund (TPAF) and additions to/deductions from the TPAF's fiduciary net position have been determined on the same basis as they are reported by the TPAF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Additional Information – The following is a summary of the collective balances of the local group at June 30, 2018 and 2017:

	<u>6/30/2018</u>	<u>6/30/2017</u>
Collective Deferred Outflows of Resources	\$ 14,353,461,035	\$ 17,581,004,496
Collective Deferred Inflows of Resources	\$ 11,992,821,439	\$ 300,836,088
Collective Net Pension Liability	\$ 67,670,209,171	\$ 79,028,907,033
School District's portion	0.1335333463%	0.1319187971%

BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018 (continued)**

Note 8. Pension Plans (continued)

C. Defined Contribution Plan (DCRP) (continued)

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

Individuals eligible for membership in the DCRP include:

- State or local officials who are elected or appointed on or after July 1, 2007;
- Employees enrolled in the Public Employees' Retirement System (PERS) or Teachers' Pension and Annuity Fund (TPAF) on or after July 1, 2007, who earn salary in excess of established "maximum compensation" limits;
- Employees enrolled in the Police and Firemen's Retirement System (PFRS) or State Police Retirement System (SPRS) after May 21, 2010, who earn salary in excess of established "maximum compensation" limits;
- Employees otherwise eligible to enroll in the PERS or TPAF on or after November 2, 2008, who do not earn the minimum annual salary for PERS or TPAF Tier 3 enrollment but who earn salary of at least \$5,000 annually. The minimum salary in 2017 is \$8,300 and is subject to adjustment in future years.
- Employees otherwise eligible to enroll in the PERS or TPAF after May 21, 2010, who do not work the minimum number of hours per week required for PERS or TPAF Tier 4 or Tier 5 enrollment but who earn salary of at least \$5,000 annually. The minimum number is 35 hours per week for State employees, or 32 hours per week for local government or local education employees

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

For the year ended June 30, 2018, employee contributions totaled \$21,892 and the District recognized pension expense of \$20,351.

Note 9. Other Post-Retirement Benefits

General Information about the OPEB Plan

The State of New Jersey reports a liability as a result of its statutory requirements to pay other postemployment (health) benefits for State Health Benefit Local Education Retired Employees Plan. The State Health Benefit Local Education Retired Employees Plan is a multiple-employer defined benefit OPEB plan that is administered on a pay-as-you-go basis. Accordingly, no assets are accumulated in a qualifying trust that meets the criteria in paragraph 4 of GASB Statement No. 75, Accounting and Financial Reporting for the Postemployment Benefits Other Than Pensions. The State Health Benefit Local Education Retired Employees Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and their covered dependents of local education employers.

BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018 (continued)**

Note 9. Other Post-Retirement Benefits (continued)

The employer contributions for the participating local education employers are legally required to be funded by the State of New Jersey in accordance with N.J.S.A 52:14-17.32f. According to N.J.S.A 52:14-17.32f, the State provides employer-paid coverage to employees who retire from a board of education or county college with 25 years or more of service credit in, or retires on a disability pension from, one or more of the following plans: the Teachers' Pension and Annuity Fund (TPAF), the Public Employees' Retirement System (PERS), the Police and Firemen Retirement System (PFRS), or the Alternate Benefit Program (ABP). Pursuant to Chapter 78, P.L. 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree's annual retirement benefit and level of coverage.

The total nonemployer OPEB liability does not include certain other postemployment benefit obligations that are provided by the local education employers. The reporting of these benefits are the responsibility of the individual local education employers.

Basis of Presentation

The Schedule presents the State of New Jersey's obligation under NJSA 52:14-17.32f. The Schedule does not purport to be a complete presentation of the financial position or changes in financial position of the State Health Benefit Local Education Retired Employees Plan or the State of New Jersey. The accompanying Schedule was prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of the State of New Jersey to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

Total Nonemployer OPEB Liability

The total nonemployer OPEB liability as of June 30, 2017 was determined by an actuarial valuation as of June 30, 2016, which was rolled forward to June 30, 2017. The total nonemployer OPEB liability as of June 30, 2016 was determined by an actuarial valuation as of June 30, 2016. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation Rate	2.50%			
		TPAF/ABP	PERS	PFRS
Salary Increases:		<hr/>	<hr/>	<hr/>
Through		1.55 - 4.55%	2.15 - 4.15%	2.10 - 8.98%
		based on years	based on age	based on age
		of service		
Thereafter		2.00 - 5.45%	3.15 - 5.15%	3.10 - 9.98%
		based on years	based on age	based on age
		of service		

BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2018 (continued)

Note 9. Other Post-Retirement Benefits (continued)

Preretirement mortality rates were based on the RP-2014 Headcount-Weighted Healthy Employee Male/Female mortality table with fully generational mortality improvement projections from the central year using the MP-2017 scale. Postretirement mortality rates were based on the RP-2014 Headcount-Weighted Healthy Annuitant Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale. Disability mortality was based on the RP-2014 Headcount- Weighted Disabled Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale.

The actuarial assumptions used in the June 30, 2016 valuation were based on the results of actuarial experience studies for the periods July 1, 2012 – June 30, 2015, July 1, 2010 – June 30, 2013, and July 1, 2011 – June 30, 2014 for TPAF, PFRS and PERS, respectively.

OPEB Obligation and OPEB Expense - The State's proportionate share of the total Other Post Employment Benefits Obligations, attributable to the School District as of June 30, 2017 was \$75,025,226. The School District's proportionate share was \$0.

The OPEB Obligation was measured as of June 30, 2017, and the total OPEB Obligation used to calculate the OPEB Obligation was determined by an actuarial valuation as of July 1, 2016, which was rolled forward to June 30, 2017. The State's proportionate share of the OPEB Obligation associated with the District was based on projection of the State's long-term contributions to the OPEB plan associated with the District relative to the projected contributions by the State associated with all participating school districts, actuarially determined. At June 30, 2017, the State proportionate share of the OPEB Obligation attributable to the School District was 0.1398684698%, which was a decrease of 0.0001247159% from its proportion measured as of June 30, 2016.

For the fiscal year ended June 30, 2018, the State of New Jersey recognized an OPEB expense in the amount of \$4,366,282 for the State's proportionate share of the OPEB expense attributable to the School District. This OPEB expense was based on the OPEB plans June 30, 2017 measurement date.

Health Care Trend Assumptions

For pre-Medicare preferred provider organization (PPO) medical benefits, this amount initially is 5.9% and decreases to a 5.0% long-term trend rate after nine years. For self-insured post-65 PPO medical benefits, the trend rate is 4.5%. For health maintenance organization (HMO) medical benefits, the trend rate is initially 5.9% and decreases to a 5.0% long-term trend rate after nine years. For prescription drug benefits, the initial trend rate is 10.5% decreasing to a 5.0% long-term trend rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.0%. The Medicare Advantage trend rate is 4.5% and will continue in all future years.

Discount Rate

The discount rate for June 30, 2017 and 2016 was 3.58% and 2.85%, respectively. This represents the municipal bond return rate as chosen by the Division. The source is 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 COUNTY INSTITUTE OF TECHNOLOGY

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018 (continued)**

Note 9. Other Post-Retirement Benefits (continued)

Sensitivity of Total Nonemployer OPEB Liability to changes in discount rate:

The following presents the total nonemployer OPEB liability as of June 30, 2017 and 2016, respectively, calculated using the discount rate as disclosed above as well as what the total nonemployer OPEB liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	June 30, 2017		
	At 1% Decrease (2.58%)	At Discount Rate (3.58%)	At 1% Increase (4.58%)
State of New Jersey's Proportionate Share of Total OPEB Obligations Associated with the School District	\$ 89,060,356	\$ 75,025,226	\$ 63,892,427
State of New Jersey's Total Nonemployer OPEB Liability	\$ 63,674,362,200	\$ 53,639,841,858	\$ 45,680,364,953
	June 30, 2016		
	At 1% Decrease (1.85%)	At Discount Rate (2.85%)	At 1% Increase (3.85%)
State of New Jersey's Proportionate Share of Total OPEB Obligations Associated with the School District	\$ 96,992,466	\$ 80,960,557	\$ 68,341,390
State of New Jersey's Total Nonemployer OPEB Liability	\$ 69,283,705,084	\$ 57,831,784,184	\$ 48,817,654,566

Sensitivity of Total Nonemployer OPEB Liability to changes in the healthcare trend rate:

The following presents the total nonemployer OPEB liability as of June 30, 2017 and 2016, respectively, calculated using the healthcare trend rate as disclosed above as well as what the total nonemployer OPEB liability would be if it was calculated using a healthcare trend rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018 (continued)**

Note 9. Other Post-Retirement Benefits (continued)

	June 30, 2017		
	1% Decrease	Healthcare Cost Trend Rate *	1% Increase
State of New Jersey's Proportionate Share of Total OPEB Obligations Associated with the School District	\$ 61,700,996	\$ 75,025,226	\$ 92,719,647
State of New Jersey's Total Nonemployer OPEB Liability	\$ 44,113,584,560	\$ 53,639,841,858	\$ 66,290,599,457
	June 30, 2016		
	1% Decrease	Healthcare Cost Trend Rate *	1% Increase
State of New Jersey's Proportionate Share of Total OPEB Obligations Associated with the School District	\$ 66,430,391	\$ 80,960,557	\$ 100,386,004
State of New Jersey's Total Nonemployer OPEB Liability	\$ 47,452,589,164	\$ 57,831,784,184	\$ 71,707,778,970

* See Healthcare Cost Trend Assumptions for details of rates.

Additional Information

Collective balances of the Local Group at June 30, 2017 are as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Change in Proportion	\$ 99,843,255	\$ (99,843,255)
Change in Assumptions	\$ -	\$ (6,343,769,032)
Contributions Made in Fiscal Year Year Ending 2018 After June 30, 2017 Measurement Date **	\$ 1,190,373,242	\$ -
	<u>\$ 1,290,216,497</u>	<u>\$ (6,443,612,287)</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018 (continued)**

Note 9. Other Post-Retirement Benefits (continued)

Fiscal Year <u>Ending June 30,</u>	
2018	\$ (742,830,097)
2019	(742,830,097)
2020	(742,830,097)
2021	(742,830,097)
2022	(742,830,097)
Thereafter	<u>(2,629,618,547)</u>
	<u>\$ (6,343,769,032)</u>

** Employer Contributions made after June 30, 2017 are reported as a deferred outflow of resources, but are not amortized in expense.

Plan Membership

At June 30, 2016, the Program membership consisted of the following:

	<u>June 30, 2016</u>
Active Plan Members	\$ 223,747
Inactive Plan Members or Beneficiaries	
Currently Receiving Benefits	<u>142,331</u>
	<u>\$ 366,078</u>

Changes in the Total OPEB Liability

The change in the State's Total OPEB liability for the fiscal year ended June 30, 2018 (measurement date June 30, 2017) is as follows:

Total OPEB Liability	
Service Cost	\$ 2,391,878,884
Interest Cost	1,699,441,736
Changes of Assumptions	(7,086,599,129)
Contributions: Member	45,748,749
Gross Benefit Payments	<u>(1,242,412,566)</u>
Net Change in Total OPEB Liability	(4,191,942,326)
Total OPEB Liability (Beginning)	<u>57,831,784,184</u>
Total OPEB Liability (Ending)	<u>\$ 53,639,841,858</u>
Total Covered Employee Payroll	\$ 13,493,400,208
Net OPEB Liability as a Percentage of Payroll	398%

BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018 (continued)**

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

As previously mentioned, the School District receives on-behalf payments from the State of New Jersey for normal costs and post-retirement medical costs related to the Teachers’ Pension and Annuity Fund (TPAF) pension plan. The School District is not legally responsible for these contributions. The on-behalf payments are recorded as revenues and expenditures in the government-wide and general fund financial statements. For the fiscal year ended June 30, 2018, the on-behalf payments for pension, social security, post-retirement medical costs, and long-term disability were \$1,906,328, \$893,684, \$1,231,256 and \$3,163, respectively.

Note 11. Risk Management

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

New Jersey Unemployment Compensation Insurance – The School District has elected to fund its New Jersey Unemployment Compensation Insurance under the “Benefit Reimbursement Method”. Under this plan the School District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The School District is billed quarterly for amounts due to the State. The following is a summary of School District contributions, reimbursements to the State for benefits paid and the ending balance of the School District’s trust fund for the current and previous two years:

<u>Fiscal Year</u>	<u>Employee Contributions</u>	<u>Interest Earnings</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2017-2018	\$ 54,363	\$ -	\$ 97,834	\$ 614,197
2016-2017	57,705	1,261	89,435	657,668
2015-2016	56,587	455	104,764	688,137

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

Note 12. Contingencies

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

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

BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018 (continued)**

Note 12. Contingencies (continued)

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

Note 13. Deferred Compensation

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

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

Note 14. Compensated Absences

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

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

The liability for vested compensated absences of the governmental fund types is recorded in the Statement of Net Position. At June 30, 2018, the liability for compensated absences reported on the government-wide on the Statement of Net Position was \$1,890,990.

Note 15. Tax Abatements

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

BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018 (continued)**

Note 15. Tax Abatements (continued)

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

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

Note 16. Commitments

The School District has contractual commitments at June 30, 2018 to various vendors, which are recorded in the general fund as assigned to other purposes in the amount of \$2,497,196.

Note 17. Fund Balances

General Fund – Of the \$4,246,015 General Fund fund balance at June 30, 2018, \$2,906,184 has been restricted for the Capital Reserve Account; \$2,497,196 has been assigned to other purposes; and \$(1,157,365) has been unassigned.

Note 18. Deficit in Net Position

Unrestricted Net Position – The School District had a deficit in unrestricted net position in the amount of \$15,063,778 at June 30, 2018. The deficit is caused by the implementation of GASB 68 which requires the School District to report their proportionate share of the net pension liability for the Public Employee's Retirement System (PERS) as of June 30, 2018.

Note 19. Operating Leases

The School District has commitments to lease 27 pieces of equipment under operating leases. Total lease payments made during the year ended June 30, 2018 amounted to \$98,617. Future minimum lease payments are as follows:

Fiscal Year Ending <u>June 30,</u>	
2019	\$ 90,175
2020	66,520
2021	<u>37,832</u>
Total Minimum Lease Payments	<u>\$ 194,527</u>

Note 20. Subsequent Events

Management has reviewed and evaluated all events and transactions that occurred between June 30, 2018 and February 14, 2019, the date that the financial statements were available for issuance, for possible disclosure and recognition in the financial statements. No items have come to the attention of the School District that would require disclosure.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

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C. Budgetary Comparison Schedules

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**BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	ACCOUNT NUMBERS	JUNE 30, 2018				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
Revenues:						
Local Sources:						
County Appropriations	10-1210	\$ 15,894,974	\$ -	\$ 15,894,974	\$ 15,129,684	\$ (765,290)
Tuition from LEA's	10-1310	6,824,780	-	6,824,780	6,781,709	(43,071)
Use of Facilities	10-1990	25,000	-	25,000	5,068	(19,932)
Other Local Revenue/Miscellaneous	10-1XXX	50,000	-	50,000	121,144	71,144
Interest Earned on Capital Reserve Funds	10-XXXX	4,000	-	4,000	-	(4,000)
Total Local Sources		22,798,754	-	22,798,754	22,037,605	(761,149)
State Sources:						
Categorical Special Education Aid	10-3132	1,182,187	1,234	1,183,421	1,183,421	-
Equalization Aid	10-3176	13,228,997	-	13,228,997	13,228,997	-
Categorical Security Aid	10-3177	125,257	-	125,257	125,257	-
PARCC Readiness Aid	10-3181	20,760	-	20,760	20,760	-
Per Pupil Growth Aid	10-3182	20,760	-	20,760	20,760	-
Professional Learning Comm Aid	10-3183	20,700	-	20,700	20,700	-
Adult Education Program Aid	10-3191	-	81,312	81,312	81,312	-
On-Behalf TPAF Pension Contributions	10-3901	-	-	-	1,906,328	1,906,328
On-Behalf TPAF Post-Retirement						
Medical Contributions	10-3901	-	-	-	1,231,256	1,231,256
On-Behalf TPAF Long-Term						
Disability Insurance Contributions	10-3901	-	-	-	3,163	3,163
Reimbursed TPAF Social Security						
Contributions	10-3902	-	-	-	893,684	893,684
Total State Sources		14,598,661	82,546	14,681,207	18,715,638	4,034,431
Federal Sources:						
Special Education - Medicaid Initiative	10-4200	31,334	-	31,334	26,817	(4,517)
Total Federal Services		31,334	-	31,334	26,817	(4,517)
Total Revenues		37,428,749	82,546	37,511,295	40,780,060	3,268,765

**BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	ACCOUNT NUMBERS	JUNE 30, 2018			ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
Expenditures:						
Current Expense:						
Regular Programs - Grade 9-12 Instruction:						
Salaries of Teachers	11-140-100-101	4,804,529	120,177	4,924,706	4,924,706	-
Unused Sick Payment to Terminated/Retired Staff	11-140-100-299	-	15,000	15,000	15,000	-
Purchased Professional Educational Services	11-140-100-320	363,000	(72,521)	290,479	290,479	-
Other Purchased Services	11-140-100-500	-	11,429	11,429	11,429	-
General Supplies	11-140-100-610	76,000	57,922	133,922	133,922	-
Textbooks	11-140-100-640	73,000	(48,220)	24,780	24,780	-
Home Instruction - Regular Programs:						
Salaries of Teachers	11-150-100-101	4,000	(3,296)	704	704	-
Purchased Professional Educational Services	11-150-100-320	9,500	10,727	20,227	19,539	688
Total Regular Programs - Instruction		5,330,029	91,218	5,421,247	5,420,559	688
Resource Room:						
Salaries of Teachers	11-213-100-101	1,551,112	(72,722)	1,478,390	1,478,390	-
Other Salaries for Instruction	11-213-100-106	323,671	(177,740)	145,931	145,931	-
Unused Sick Payment to Terminated/Retired Staff	11-213-100-299	-	5,721	5,721	5,721	-
Purchased Professional Educational Services	11-213-100-320	177,000	(27,214)	149,786	148,007	1,779
Total Resource Room		2,051,783	(271,955)	1,779,828	1,778,049	1,779
Total Special Education		2,051,783	(271,955)	1,779,828	1,778,049	1,779
Bilingual Education - Instruction						
Salaries of Teachers	11-240-100-101	-	63,374	63,374	63,374	-
Total Bilingual Education - Instruction		-	63,374	63,374	63,374	-
Regular Vocational Programs - Instruction:						
Salaries of Teachers	11-310-100-101	3,941,222	(284,789)	3,656,433	3,656,433	-
Purchased Professional Educational Services	11-310-100-320	173,000	(8,939)	164,061	164,061	-
Other Purchased Services	11-310-100-500	1,500	34,122	35,622	35,622	-
General Supplies	11-310-100-610	438,500	19,802	458,302	454,962	3,340
Textbooks	11-310-100-640	73,400	(30,996)	42,404	42,404	-

**BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	ACCOUNT NUMBERS	JUNE 30, 2018			POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Regular Vocational Programs - Instruction (continued):					
Other Objects	11-310-100-800	1,000	(1,000)	-	-
Total Regular Vocational Programs - Instruction		4,628,622	(271,800)	4,356,822	4,353,482
Special Vocational Programs - Instruction:					
Purchased Professional Educational Services	11-320-100-320	178,063	22,824	200,887	189,735
General Supplies	11-320-100-610	6,000	(207)	5,793	5,793
Textbooks	11-320-100-640	3,000	(1,275)	1,725	1,725
Total Special Vocational Programs - Instruction:		187,063	21,342	208,405	197,253
School Sponsored Cocurricular Activities - Instruction:					
Salaries	11-401-100-100	391,500	(56,454)	335,046	335,046
Other Purchased Services	11-401-100-500	53,000	66,375	119,275	119,275
Supplies & Materials	11-401-100-600	70,000	(32,634)	37,366	37,366
Other Objects	11-401-100-800	3,500	(1,538)	1,962	1,962
Total School Sponsored Cocurricular Activities		518,000	(24,251)	493,749	493,649
School Sponsored Athletics - Instruction:					
Salaries	11-402-100-100	494,385	10,857	505,242	505,242
Purchased Services	11-402-100-500	31,500	29,266	60,766	58,283
Supplies & Materials	11-402-100-600	79,500	(36,404)	43,096	37,654
Other Objects	11-402-100-800	7,500	(1,364)	6,136	6,136
Total School Sponsored Athletics - Instruction		612,885	2,355	615,240	607,315
Total Instruction		13,351,382	(384,454)	12,966,928	12,941,944
Before/After School Programs - Instruction					
Salaries of Program Director	11-421-100-103	23,000	5,263	28,263	28,263
Total Before/After School Programs		23,000	5,263	28,263	28,263

**BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	ACCOUNT NUMBERS	JUNE 30, 2018			POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Undistributed Expenditures:					
Health Services:					
Salaries	11-000-213-100	135,087	(575)	134,512	-
Purchased Professional & Technical Services	11-000-213-300	33,075	(861)	32,214	470
Other Purchased Services	11-000-213-500	2,500	(2,500)	-	-
Supplies & Materials	11-000-213-600	14,153	(4,569)	9,584	-
Total Health Services		184,815	(8,505)	176,310	470
Other Support Services - Students - Related Services:					
Purchased Professional Educational Services	11-000-216-320	65,000	11,039	76,039	-
Total Other Support Services - Students - Related - Services		65,000	11,039	76,039	-
Other Support Services - Students - Regular:					
Salaries of Other Professional Staff	11-000-218-104	823,377	(66,162)	757,215	-
Salaries of Secretarial & Clerical	11-000-218-105	200,662	(3,903)	196,759	-
Other Purchased Services	11-000-218-500	500	41,668	42,168	-
Supplies & Materials	11-000-218-600	8,400	1,090	9,490	-
Other Objects	11-200-218-800	3,100	(2,950)	150	-
Total Other Support Services - Students - Regular		1,036,039	(30,257)	1,005,782	-
Other Support Services - Students - Special Services:					
Salaries of Other Professional Staff	11-000-219-104	737,727	(13,185)	724,542	-
Salaries of Secretarial & Clerical	11-000-219-105	114,200	(1,289)	112,911	-
Other Salaries	11-000-219-110	35,000	(25,234)	9,766	-
Unused Vacation Time - Retire/Term	11-000-219-199	-	23,532	23,532	-
Purchase Professional - Educational Services	11-000-219-320	280,000	(93,809)	186,191	-
Other Purchased Professional & Technical Services	11-000-219-390	21,000	(20,510)	490	-
Other Purchased Services	11-000-219-500	8,500	64,219	72,719	-
Supplies & Materials	11-000-219-600	8,000	3,644	11,644	-
Other Objects	11-000-219-800	-	6,265	6,265	-
Total Other Support Services - Students - Special Services		1,204,427	(56,367)	1,148,060	-

**BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	JUNE 30, 2018				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
ACCOUNT NUMBERS	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
Improvement of Instructional Services					
Salaries - Supervisor of Instruction	80,235	66,144	146,379	142,379	4,000
Salaries of Other Professional Staff	90,589	(16,231)	74,358	74,358	-
Salaries of Secretarial & Clerical	142,620	(12,008)	130,612	130,612	-
Other Salaries	15,000	(4,970)	10,030	10,030	-
Salaries of Facilitators, Math & Literacy Coaches	227,432	(227,432)	-	-	-
Unused Vacation Pay - Retire/Term	-	4,529	4,529	4,529	-
Purchased Professional Education Services	-	82,512	82,512	82,512	-
Purchased Technical Services	95,000	(12,323)	82,677	79,677	3,000
Other Purchased Services	27,500	2,799	30,299	30,299	-
Supplies & Materials	41,834	2,299	44,133	44,133	-
Miscellaneous Expenses	7,402	(1,828)	5,574	5,574	-
Total Improvement of Instructional Services	727,612	(116,509)	611,103	604,103	7,000
Educational Media Services/School Library:					
Salaries	124,324	(4,239)	120,085	120,085	-
Other Purchased Services	13,000	(2,371)	10,629	10,629	-
Supplies & Materials	14,000	(3,890)	10,110	10,051	59
Other Objects	500	(435)	65	65	-
Total Educational Media Services/School Library	151,824	(10,935)	140,889	140,830	59
Instructional Staff Training Services:					
Salaries	5,000	(5,000)	-	-	-
Purchased Professional Educational Services	21,000	(11,473)	9,527	9,527	-
Other Purchased Professional & Technical Services	-	-	-	-	-
Other Purchased Services	2,000	(1,805)	195	195	-
Total Instructional Staff Training Services	28,000	(18,278)	9,722	9,722	-
Support Services General Administration:					
Salaries	182,968	7,486	190,454	190,454	-
Unused Vacation Payment to Terminated/Retired Staff	-	12,114	12,114	12,114	-
Legal Services	192,265	(100,765)	91,500	91,500	-
Audit Services	60,587	28,733	89,320	89,320	-

**BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	ACCOUNT NUMBERS	JUNE 30, 2018			ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
Support Services General Administration (continued):						
Other Purchased Professional Services	11-000-230-339	48,000	(33,083)	14,917	14,917	-
Communications/Telephone	11-000-230-530	231,000	13,587	244,587	244,587	-
BOE Other Purchased Services	11-000-230-585	2,100	24,743	26,843	26,843	-
Miscellaneous Purchased Services	11-000-230-590	18,000	(18,000)	-	-	-
General Supplies	11-000-230-610	10,000	(5,009)	4,991	4,991	-
Miscellaneous Expenditures	11-000-230-890	12,000	20,521	32,521	32,521	-
BOE Membership Dues and Fees	11-000-230-895	23,420	(23,420)	-	-	-
Total Support Services General Administration		780,340	(73,093)	707,247	707,247	-
Support Services School Administration:						
Salaries of Principals & Assistant Principals	11-000-240-103	950,300	31,677	981,977	981,977	-
Salaries of Secretarial & Clerical Assistants	11-000-240-105	604,260	(103,776)	500,484	500,484	-
SCH Adm - Unused Vacation Pay	11-000-240-199	-	5,630	5,630	5,630	-
Unused Vacation Pay	11-000-240-299	-	15,000	15,000	15,000	-
Other Purchased Professional Services	11-000-240-300	28,000	(2,275)	25,725	25,725	-
Outside Workshops	11-000-240-390	-	745	745	745	-
Other Purchased Services	11-000-240-500	91,000	(9,462)	81,538	81,538	235
Supplies & Materials	11-000-240-600	54,865	(20,105)	34,760	34,494	266
Other Objects	11-000-240-800	11,900	(3,230)	8,670	8,670	-
Total Support Services School Administration		1,740,325	(85,796)	1,654,529	1,654,028	501
Central Services:						
Salaries	11-000-251-100	675,112	(217,721)	457,391	457,391	-
Other Purchased Professional Services	11-000-251-330	52,390	271,312	323,702	322,277	1,425
Purchased Technical Services	11-000-251-340	38,587	(1,960)	36,627	36,627	-
Supplies and Materials	11-000-251-600	91,050	(30,783)	60,267	58,638	1,629
Interest on Current Loans	11-000-251-831	15,000	(4,500)	10,500	10,500	-
Interest on Bond Anticipation Notes	11-000-251-836	3,000	(3,000)	-	-	-
Shared Service Agreement - County Board of Freeholders	11-000-251-897	2,000,000	-	2,000,000	2,000,000	-
Total Central Services		2,875,139	13,348	2,888,487	2,885,433	3,054

**BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	ACCOUNT NUMBERS	JUNE 30, 2018			POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Information Technology:					
Salaries	11-000-252-100	51,000	(51,000)	-	-
Purchased Technical Services	11-000-252-340	645,052	(128,162)	516,890	516,890
Other Purchased Services	11-000-252-500	1,500	(1,500)	-	-
General Supplies	11-000-252-610	160,000	43,413	203,413	127,427
Miscellaneous Expenditures	11-000-252-800	1,000	(1,000)	-	-
Total Information Technology Services		858,552	(138,249)	720,303	644,317
Operation & Maintenance of Plant:					
Required Maintenance for School Facilities:					
Salaries	11-000-261-100	120,744	(57,241)	63,503	63,503
Other Purchased Professional Services	11-000-261-300	-	19,520	19,520	19,520
Cleaning, Repair & Maintenance Services	11-000-261-420	275,933	91,696	367,629	366,633
General Supplies	11-000-261-610	286,900	(50,809)	236,091	235,871
Other Objects	11-000-261-800	4,000	(1,860)	2,140	2,140
Total Allowable Maintenance for School Facilities		687,577	1,306	688,883	687,667
Other Operation & Maintenance of Plant:					
Salaries	11-000-262-100	1,643,449	(224,828)	1,418,621	1,418,621
Unused Vacation Pay	11-000-262-199	-	6,419	6,419	6,419
Unused Sick Pay	11-000-262-299	-	15,000	15,000	15,000
Other Purchased Professional Services	11-000-262-300	136,000	(74,415)	61,585	60,205
Cleaning, Repair & Maintenance Services	11-000-262-420	22,000	(9,877)	12,123	6,949
Other Purchased Property Services	11-000-262-490	121,275	(33,937)	87,338	87,338
Insurance	11-000-262-520	734,678	(123,236)	611,442	611,442
General Supplies	11-000-262-610	84,818	63,384	148,202	115,911
Energy (Natural Gas)	11-000-262-621	162,550	(23,818)	138,732	138,732
Energy (Electric)	11-000-262-622	1,368,214	(371,143)	997,071	997,071
Total Other Operation & Maintenance of Plant		4,272,984	(776,451)	3,496,533	3,457,688
Security					
Purchased Professional & Technical Services	11-000-266-300	626,390	(10,327)	616,063	615,251
General Supplies	11-000-266-610	145,000	184,730	329,730	306,517
					812
					23,213

**BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	ACCOUNT NUMBERS	JUNE 30, 2018			POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
Total Security		771,390	174,403	945,793	921,768	24,025
Total Operation & Maintenance of Plant		5,731,951	(600,742)	5,131,209	5,067,123	64,086
Student Transportation Services:						
Salaries for Pupil Transportation - (Other Than Between Home & School)	11-000-270-162	311,260	(78,923)	232,337	232,337	-
Purchased Professional & Technical Services	11-000-270-390	-	131,295	131,295	131,295	
Contracted Services - (Other Than Between Home & School) Vendors	11-000-270-512	57,000	6,500	63,500	63,220	280
Total Student Transportation Services		368,260	58,872	427,132	426,852	280
Unallocated Benefits - Employee Benefits:						
Social Security	11-000-291-220	752,719	(214,000)	538,719	534,841	3,878
Other Retirement Contributions	11-000-291-241	690,000	(12,679)	677,321	677,321	-
Health Benefits	11-000-291-270	5,767,429	(892,983)	4,874,446	4,873,608	838
Tuition Reimbursements	11-000-291-280	78,750	-	78,750	78,750	-
Total Unallocated Benefits		7,288,898	(1,119,662)	6,169,236	6,164,520	4,716
Total Personal Services - Employee Benefits		7,288,898	(1,119,662)	6,169,236	6,164,520	4,716
Nonbudgeted:						
On-Behalf TPAF Long-Term Disability Insurance		-	-	-	3,163	(3,163)
On-Behalf TPAF Pension Contribution		-	-	-	1,906,328	(1,906,328)
On-Behalf TPAF Post-Retirement Medical Contributions		-	-	-	1,231,256	(1,231,256)
Reimbursed TPAF Social Security Contributions		-	-	-	893,684	(893,684)
Total Undistributed Expenditures		23,041,182	(2,175,134)	20,866,048	24,744,327	(3,878,279)
Total Expenditures - Current Expense		36,392,564	(2,559,588)	33,832,976	37,686,271	(3,853,295)

**BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	ACCOUNT NUMBERS	JUNE 30, 2018			ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
Capital Outlay:						
Equipment:						
Grades 9-12	12-140-100-730	-	4,849	4,849	4,849	-
Vocational Programs - Regular Programs	12-310-100-730	70,000	(7,900)	62,100	62,100	-
Undistributed Expenditures:						
Information Technology	12-000-252-730	70,000	92,030	162,030	108,066	53,964
Building & Grounds	12-000-261-730	44,100	86,058	130,158	130,158	-
Security	12-000-266-730	40,000	(20,463)	19,537	19,537	-
School Vehicles	12-000-270-730	-	97,108	97,108	97,108	-
Total Equipment		224,100	251,682	475,782	421,818	53,964
Facilities Acquisition & Construction Services:						
Architectural/Engineering Services	12-000-400-334	25,000	158,084	183,084	183,084	-
Construction Services	12-000-400-450	547,072	2,301,362	2,848,434	553,507	2,294,927
Assessment for Debt Service on SDA Funding	12-000-400-896	236,013	-	236,013	236,013	-
Capital Reserve & Interest	12-000-400-931	4,000	-	4,000	-	4,000
Total Facilities Acquisition & Construction Services		812,085	2,459,446	3,271,531	972,604	2,298,927
Total Capital Outlay		1,036,185	2,711,128	3,747,313	1,394,422	2,352,891
Post Secondary Programs						
Instruction:						
Salaries of Principals & Assistant Principals	13-000-200-103	-	185,000	185,000	185,000	-
General Supplies	13-330-100-600	-	30,041	30,041	30,041	-
Equipment	13-600-100-730	-	51,271	51,271	51,271	-
Total Instruction		-	266,312	266,312	266,312	-
Total Post Secondary Programs		-	266,312	266,312	266,312	-
General Fund Grand Total Expenditures		37,428,749	417,852	37,846,601	39,347,005	(1,500,404)

**BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

ACCOUNT NUMBERS	JUNE 30, 2018			ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
Other Financing Sources/(Uses):					
Transfer to Other Funds	-	(100,000)	(100,000)	(100,000)	-
Board Contribution to County	-	-	-	(960,796)	(960,796)
Transfer from Other Funds - Capital Projects	-	-	-	351,004	351,004
Transfer from Other Funds - Other Enterprise Funds	-	-	-	62,145	62,145
Total Other Financing Sources/(Uses)	-	(100,000)	(100,000)	(647,647)	(547,647)
Excess/(Deficiency) of Revenues & Other Financing Sources/(Uses) Over/(Under) Expenditures & Other Financing Uses	-	(435,306)	(435,306)	785,408	1,220,714
Fund Balances, July 1	4,902,833	-	4,902,833	4,902,833	-
Fund Balances, June 30	\$ 4,902,833	\$ (435,306)	\$ 4,467,527	\$ 5,688,241	\$ 1,220,714

RECAPITULATION OF BUDGET TRANSFERS

Prior Year Reserve for Encumbrances	\$ 435,306
Total Budget Transfers	\$ 435,306

RECAPITULATION OF FUND BALANCE

Restricted Fund Balance:	
Capital Reserve	\$ 2,906,184
Assigned Fund Balance:	
Year-end Encumbrances	2,497,196
Unassigned Fund Balance	284,861
Subtotal	5,688,241
Reconciliation to Governmental Fund Statements (GAAP):	
Last Two State Aid Payments Not Recognized on GAAP Basis	(1,442,226)
Fund Balance per Governmental Funds (GAAP)	\$ 4,246,015

BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	JUNE 30, 2018				VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
REVENUES					
State Sources	\$ -	\$ 117,906	\$ 117,906	\$ 117,906	\$ -
Federal Sources	873,073	510,957	1,384,030	1,384,030	-
Total Revenues	873,073	628,863	1,501,936	1,501,936	-
EXPENDITURES:					
Instruction:					
Salaries of Teachers	669,326	(47,559)	621,767	621,767	-
Instruction Purchased Services	-	6,343	6,343	6,343	-
General Supplies	180,947	201,384	382,331	382,331	-
Total Instruction	850,273	160,168	1,010,441	1,010,441	-
Support Services:					
Salaries	-	128,362	128,362	128,362	-
Personal Services - Employee Benefits	22,800	111,881	134,681	134,681	-
Purchased Professional - Educational Services	-	16,825	16,825	16,825	-
Other Purchased Services (400-500 Series)	-	51,926	51,926	51,926	-
Travel Expenses	-	124	124	124	-
Miscellaneous	-	3,288	3,288	3,288	-
Supplies & Materials	-	3,208	3,208	3,208	-
Total Support Services	22,800	315,614	338,414	338,414	-
Facilities Acquisition & Construction Services:					
Instructional Equipment	-	153,081	153,081	153,081	-
Total Facilities Acquisition & Construction Services	-	153,081	153,081	153,081	-
Total Expenditures	873,073	628,863	1,501,936	1,501,936	-
Total Outflows	873,073	628,863	1,501,936	1,501,936	-
Excess/(Deficiency) of Revenues Over/(Under) Expenditures & Other Financing Sources/(Uses)	\$ -	\$ -	\$ -	\$ -	\$ -

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NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

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**BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

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

	GENERAL FUND	SPECIAL REVENUE FUND
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue"		
From the Budgetary Comparison Schedule (C-Series)	\$ 40,780,060	\$ 1,501,936
Difference - Budget to GAAP:		
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	1,431,244	-
The last State aid payment is recognized as revenue for budgetary purposes, and differs from GAAP, which does not recognize this revenue until the subsequent year when the State recognizes the related expense (GASB 33)	(1,442,226)	-
	<hr/>	<hr/>
Total Revenues as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds. (B-2)	<u>\$ 40,769,078</u>	<u>\$ 1,501,936</u>
Uses/Outflows of Resources:		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 39,347,005	\$ 1,501,936
Differences - budget to GAAP		
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for <i>financial reporting</i> purposes.	-	-
	<hr/>	<hr/>
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds (B-2)	<u>\$ 39,347,005</u>	<u>\$ 1,501,936</u>

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REQUIRED SUPPLEMENTARY INFORMATION - PART III

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

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

	2018	2017	2016	2015	2014
School District's proportion of the net pension liability	0.06521%	0.06844%	0.06343%	0.06020%	0.06244%
School District's proportionate share of the net pension liability	\$ 15,180,650	\$ 20,270,326	\$ 14,238,819	\$ 11,270,221	\$ 11,934,066
School District's covered payroll	\$ 4,307,524	\$ 4,331,643	\$ 4,402,691	\$ 4,152,325	unavailable
School District's proportionate share of the net pension liability as a percentage of its covered payroll	352.42%	467.96%	323.41%	271.42%	unavailable
Plan fiduciary net position as a percentage of the total pension liability	36.78%	40.14%	47.93%	52.08%	48.72%

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

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

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

	2018	2017	2016	2015	2014
School District's contractually required contribution	\$ 611,000	\$ 604,133	\$ 608,022	\$ 545,330	\$ 545,330
Contributions in relation to the contractually required contribution	(611,000)	(604,133)	(608,022)	(545,330)	(545,330)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 3,935,821	\$ 4,307,524	\$ 4,331,643	\$ 4,402,691	unavailable
Contributions as a percentage of covered payroll	15.52%	14.03%	14.04%	12.39%	unavailable

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

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

	2018	2017	2016	2015	2014
School District's proportion of the net pension liability	0.00%	0.00%	0.00%	0.00%	0.00%
School District's proportionate share of the net pension liability	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability associated with the School District	\$ 90,032,997	\$ 103,775,725	\$ 82,910,065	\$ 75,768,194	\$ 75,768,194
School District's covered payroll	\$ 90,032,997	\$ 103,775,725	\$ 82,910,065	\$ 75,768,194	\$ 75,768,194
School District's proportionate share of the net pension liability as a percentage of its covered payroll	\$ 12,660,498	\$ 13,076,696	\$ 1,304,777	\$ 13,172,816	unavailable
Plan fiduciary net position as a percentage of the total pension liability	0.00%	0.00%	0.00%	0.00%	0.00%
	25.41%	22.33%	28.71%	33.64%	33.76%

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

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

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

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

M. Schedules Related to Accounting and Reporting for Other Post-Employment Benefits (GASB 75)

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**BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS
STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN (OPEB)
LAST FISCAL YEAR***

	2018
District's Total OPEB Liability	
Service Cost	\$ 3,034,957
Interest Cost	2,370,189
Changes of Assumptions	(9,666,722)
Contributions: Member	63,988
Gross Benefit Payments	(1,737,743)
Net Change in District's Total OPEB Liability	(5,935,331)
District's Total OPEB Liability (Beginning)	80,960,557
District's Total OPEB Liability (Ending)	\$ 75,025,226
District's Covered Employee Payroll	\$ 16,968,022
District's Net OPEB Liability as a Percentage of Payroll	442%

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

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

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NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PART III

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**BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PART III
YEAR ENDED JUNE 30, 2018**

Teachers Pension and Annuity Fund (TPAF)

Changes in Benefit Terms - None.

Changes in Assumptions - The discount rate changed from 3.22% as of June 30, 2016, to 4.25% as of June 30, 2017.

Public Employees' Retirement System (PERS)

Changes in Benefit Terms - None.

Changes in Assumptions - The discount rate changed from 3.98% as of June 30, 2016, to 5.00% as of June 30, 2017.

State Health Benefit Local Education Retired Employees Plan (OPEB)

Changes in Benefit Terms - None.

Changes in Assumptions - The discount rate changed from 2.85% as of June 30, 2016, to 3.58% as of June 30, 2017.

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OTHER SUPPLEMENTARY INFORMATION

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D. School Based Budget Schedules

Not Applicable

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E. Special Revenue Fund

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**BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES
AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	TITLE I	TITLE II PART A	TITLE IV	IDEA PART B
Revenues:				
Federal Sources	\$ 563,822	\$ 36,838	\$ 13,451	\$ 467,968
Total Revenues	<u>\$ 563,822</u>	<u>\$ 36,838</u>	<u>\$ 13,451</u>	<u>\$ 467,968</u>
Expenditures:				
Instruction:				
Salaries of Teachers	\$ 153,799	\$ -	\$ -	\$ 467,968
General Supplies	135,188	-	2,706	-
Total Instruction	<u>288,987</u>	<u>-</u>	<u>2,706</u>	<u>467,968</u>
Support Services:				
Salaries	118,556	-	-	-
Personal Services - Employee Benefits	134,681	-	-	-
Purchased Professional - Educational Services	5,780	-	10,745	-
Other Purchased Services (400-500 Series)	12,530	35,700	-	-
Miscellaneous	3,288	-	-	-
Supplies & Materials	-	1,138	-	-
Total Support Services	<u>274,835</u>	<u>36,838</u>	<u>10,745</u>	<u>-</u>
Total Expenditures	<u>\$ 563,822</u>	<u>\$ 36,838</u>	<u>\$ 13,451</u>	<u>\$ 467,968</u>

**BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES
AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	PERKINS SECONDARY	PERKINS POST SECONDARY	APPRENTICE COORDINATOR	TOTALS
Revenues:				
Federal Sources	\$ 301,951	\$ -	\$ -	\$ 1,384,030
State Sources	-	102,906	15,000	117,906
	<hr/>	<hr/>	<hr/>	<hr/>
Total Revenues	\$ 301,951	\$ 102,906	\$ 15,000	\$ 1,501,936
	<hr/>	<hr/>	<hr/>	<hr/>
Expenditures:				
Instruction:				
Salaries of Teachers	\$ -	\$ -	\$ -	\$ 621,767
Instruction Purchased Services	5,117	1,226	-	6,343
General Supplies	190,951	53,486	-	382,331
	<hr/>	<hr/>	<hr/>	<hr/>
Total Instruction	196,068	54,712	-	1,010,441
	<hr/>	<hr/>	<hr/>	<hr/>
Support Services:				
Salaries	-	-	9,806	128,362
Personal Services - Employee Benefits	-	-	-	134,681
Purchased Professional - Educational Services	150	150	-	16,825
Other Purchased Services (400-500 Series)	580	116	3,000	51,926
Travel Expenses	-	-	124	124
Miscellaneous	-	-	-	3,288
Supplies & Materials	-	-	2,070	3,208
	<hr/>	<hr/>	<hr/>	<hr/>
Total Support Services	730	266	15,000	338,414
	<hr/>	<hr/>	<hr/>	<hr/>
Facilities Acquisition & Construction Services:				
Instructional Equipment	105,153	47,928	-	153,081
	<hr/>	<hr/>	<hr/>	<hr/>
Total Expenditures	\$ 301,951	\$ 102,906	\$ 15,000	\$ 1,501,936
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F. Capital Projects Fund

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**BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT EXPENDITURES FOR MANAGED CAPITAL PROJECTS
YEAR ENDED JUNE 30, 2018**

PROJECT TITLE	DATE	APPROPRIATIONS	EXPENDITURES TO DATE		UNEXPENDED BALANCE JUNE 30, 2017
			PRIOR YEARS	CURRENT YEAR	
Reroofing of Medford Campus	01/06/2014	\$ 2,059,377	\$ 1,483,661	\$ 575,716	\$ -
	Total	\$	\$ 1,483,661	\$ 575,716	\$ -

**BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY
CAPITAL PROJECTS FUND
SUMMARY STATEMENT OF PROJECT EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

Revenues & Other Financing Sources	
Transfer from General Fund	<u>\$ (575,716)</u>
 Total Revenues	 <u>(575,716)</u>
 Excess/(Deficiency) of Revenues Over/(Under) Expenditures	 (575,716)
Fund Balance - Beginning	<u>575,716</u>
 Fund Balance - Ending	 <u><u>\$ -</u></u>

**BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND
PROJECT STATUS--BUDGETARY BASIS
REROOFING OF MEDFORD CAMPUS
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2018**

	PRIOR PERIODS	CURRENT YEAR	TOTALS	REVISED AUTHORIZED COST
Revenues & Other Financing Sources:				
State Sources - SDA Grant	\$ 823,751	\$ -	\$ 823,751	\$ 823,751
Transfer from General Fund	1,235,626	(575,716)	659,910	659,910
Total Revenues	2,059,377	(575,716)	1,483,661	1,483,661
Expenditures & Other Financing Uses:				
Purchased Professional & Technical Services	199,871	-	199,871	199,871
Construction Services	1,297,726	-	1,297,726	1,297,726
Cancellation of Prior Year AR and AP	(13,936)	-	(13,936)	(13,936)
Total Expenditures	1,483,661	-	1,483,661	1,483,661
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	\$ 575,716	\$ (575,716)	\$ -	\$ -

Additional Project Information:

Project Number	0610-040-13-1001
Grant Date	1/6/2014
Bond Authorization Date	N/A
Bonds Authorization	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 2,059,377
Additional Authorized Cost	-
Revised Authorized Cost	1,483,661
Percentage Increase Over Original Authorized Cost	0.00%
Percentage Completion	100.00%
Original Target Completion Date	06/26/14
Revised Target Completion Date	06/30/15

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G. Proprietary Funds

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Enterprise Funds

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

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Internal Service Fund

Not Applicable

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H. Fiduciary Fund

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**BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY
FIDUCIARY FUNDS
COMBINING STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2018**

ASSETS	PRIVATE PURPOSE	AGENCY FUNDS		TOTALS
	UNEMPLOYMENT COMPENSATION INSURANCE	STUDENT ACTIVITY	PAYROLL	
Assets:				
Cash & Cash Equivalents	\$ 621,670	\$ 107,585	\$ 271,973	\$ 1,001,228
Total Assets	<u>621,670</u>	<u>107,585</u>	<u>271,973</u>	<u>1,001,228</u>
LIABILITIES				
Liabilities:				
Accounts Payable	7,473	-	-	7,473
Payroll Deductions & Withholdings	-	-	155,055	155,055
Due to Employees	-	-	116,918	116,918
Due to Student Groups	-	107,585	-	107,585
Total Liabilities	<u>7,473</u>	<u>107,585</u>	<u>271,973</u>	<u>387,031</u>
NET POSITION				
Restricted	<u>614,197</u>	-	-	614,197
Total Net Position	<u>\$ 614,197</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 614,197</u>

**BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY
FIDUCIARY FUNDS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
JUNE 30, 2018**

	PRIVATE PURPOSE		
	UNEMPLOYMENT COMPENSATION INSURANCE		TOTALS
Additions:			
Contributions:			
Plan Member	\$ 54,363	\$	54,363
Total Contributions	54,363		54,363
Deductions:			
Unemployment Claims	97,834		97,834
Change in Net Position	(43,471)		(43,471)
Net Position, July 1	657,668		657,668
Net Position, June 30	\$ 614,197	\$	614,197

**BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY
FIDUCIARY FUNDS
STUDENT ACTIVITY AGENCY FUND SCHEDULE
OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	BALANCE JULY 1, 2017	CASH RECEIPTS	CASH DISBURSEMENTS	BALANCE JUNE 30, 2018
Westampton Campus	\$ 40,106	\$ 175,380	\$ 172,651	\$ 42,835
Medford Campus	52,998	151,997	140,245	64,750
Total Student Activity	<u>\$ 93,104</u>	<u>\$ 327,377</u>	<u>\$ 312,896</u>	<u>\$ 107,585</u>

**PAYROLL FUND SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

ASSETS	BALANCE JULY 1, 2017	ADDITIONS	DISBURSEMENTS	BALANCE JUNE 30, 2018
Cash & Cash Equivalents	\$ 276,208	\$ 21,947,216	\$ 21,951,451	\$ 271,973
Total Assets	<u>\$ 276,208</u>	<u>\$ 21,947,216</u>	<u>\$ 21,951,451</u>	<u>\$ 271,973</u>
LIABILITIES				
Payroll Deductions & Withholdings	\$ 160,446	\$ 10,060,501	\$ 10,065,892	\$ 155,055
Due to Employees - Summary Pay	115,762	121,715	120,559	116,918
Net Payroll	-	11,765,000	11,765,000	-
Total Liabilities	<u>\$ 276,208</u>	<u>\$ 21,947,216</u>	<u>\$ 21,951,451</u>	<u>\$ 271,973</u>

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I. Long-Term Debt

Not Applicable

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STATISTICAL SECTION (Unaudited)

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

	FISCAL YEAR ENDING JUNE 30,									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Governmental Activities:										
Net Investment in Capital Assets	\$ 47,066,001	\$ 48,326,900	\$ 47,939,589	\$ 48,634,698	\$ 46,238,987	\$ 48,753,045	\$ 49,607,466	\$ 49,771,810	\$ 50,971,703	\$ 51,282,168
Restricted	2,906,184	3,257,188	4,547,416	4,959,664	3,677,889	2,730,958	1,402,644	1,465,295	897,677	1,570,540
Unrestricted	(15,063,778)	(15,338,195)	(13,660,257)	(13,203,076)	(664,447)	(776,970)	(728,879)	(828,559)	(1,373,550)	(803,548)
Total Governmental Activities	\$ 34,908,407	\$ 36,245,893	\$ 38,826,748	\$ 40,391,286	\$ 49,252,429	\$ 50,707,033	\$ 50,281,231	\$ 50,408,546	\$ 50,495,830	\$ 52,049,160
Business-Type Activities:										
Net Investment in Capital Assets	\$ 5,745	\$ 7,180	\$ 8,613	\$ 10,048	\$ 11,484	\$ 12,920	\$ 14,356	\$ -	\$ -	\$ -
Unrestricted	171,091	141,531	561,944	812,121	1,164,659	1,399,848	1,362,480	1,255,691	1,020,181	839,025
Total Business-Type Activities	\$ 176,836	\$ 148,711	\$ 570,557	\$ 822,169	\$ 1,176,143	\$ 1,412,768	\$ 1,376,836	\$ 1,255,691	\$ 1,020,181	\$ 839,025
District-Wide:										
Net Investment in Capital Assets	\$ 47,071,746	\$ 48,334,080	\$ 47,948,202	\$ 48,644,746	\$ 49,250,471	\$ 48,765,965	\$ 49,621,822	\$ 49,771,810	\$ 50,971,703	\$ 51,282,168
Restricted	2,906,184	3,257,188	4,547,416	4,959,664	3,677,889	2,730,958	1,402,644	1,465,295	897,677	1,570,540
Unrestricted	(14,892,687)	(15,196,664)	(13,098,313)	(12,390,955)	500,212	622,878	633,601	427,132	(353,369)	35,477
Total District Net Position	\$ 35,085,243	\$ 36,394,604	\$ 39,397,305	\$ 41,213,455	\$ 53,428,572	\$ 52,119,801	\$ 51,658,067	\$ 51,664,237	\$ 51,516,011	\$ 52,888,185

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

	FISCAL YEAR ENDING JUNE 30,									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Expenses:										
Governmental Activities:										
Instruction:										
Regular	\$ 6,431,000	\$ 6,419,851	\$ 6,140,935	\$ 6,261,811	\$ 6,371,951	\$ 6,720,320	\$ 6,648,185	\$ 6,048,729	\$ 5,853,212	\$ 6,133,778
Special	1,778,049	2,139,517	2,209,892	2,127,520	-	-	121,124	67,646	92,558	79,247
Other Special Educational Instruction	4,550,735	4,611,502	4,618,686	4,491,980	7,475,403	7,101,317	7,481,269	8,184,758	8,217,224	7,610
Vocational	1,192,601	1,149,279	1,147,632	1,096,561	1,335,352	1,357,943	1,325,872	1,396,972	1,350,422	8,014,830
Other	-	-	-	-	-	-	-	-	-	1,336,051
Support Services:										
Student & Instruction Related Services	3,364,109	3,347,487	3,863,450	3,356,321	3,132,509	2,817,240	3,003,258	2,996,133	3,397,079	2,823,190
Other Administrative Services	707,247	711,033	669,675	472,789	673,373	691,287	711,855	949,840	1,007,380	920,625
School Administrative Services	5,183,778	6,291,546	5,450,637	5,950,198	2,861,090	2,709,515	3,112,514	2,620,947	3,188,396	2,385,401
Plant Operations & Maintenance	5,056,567	5,244,011	5,312,351	5,723,616	5,652,374	5,043,336	5,101,692	5,269,878	5,402,894	5,557,227
Student Transportation	426,852	386,327	266,207	227,069	224,603	175,302	215,929	230,354	221,492	199,452
Business & Other Support Services	-	-	-	-	-	-	-	-	-	677,369
Employee Benefits	18,299,369	11,555,036	14,041,522	11,822,122	8,177,642	8,540,689	8,628,082	7,677,745	7,570,659	7,522,547
Special Schools	266,312	-	94,168	-	-	-	-	1,203	1,589,483	1,812,123
Contribution for County Debt Service	236,013	236,013	236,013	236,013	2,236,013	2,153,063	2,011,529	191,780	1,200,000	-
Increase In Compensated Absences	-	-	119,224	400,465	48,091	53,826	(47,604)	(65,509)	12,438	402,392
Adjustment To Fixed Assets	-	(213,482)	-	-	-	(24,132)	(788,067)	-	-	-
Unallocated Depreciation	2,578,047	2,541,849	3,386,374	2,885,486	947,855	2,562,851	2,439,823	2,285,883	2,285,883	2,285,883
Total Governmental Activities Expense:	50,070,679	44,419,969	47,556,766	45,051,951	39,136,256	39,902,557	39,975,018	37,864,141	41,398,305	40,157,725
Business-Type Activities:										
Food Service	1,272,312	1,214,964	1,289,212	1,261,877	915,279	834,659	882,459	838,445	831,888	851,636
School Store	-	-	-	-	49,515	59,256	74,601	37,100	50,282	100,595
Adult Education Programs	1,182,431	1,349,481	1,405,586	1,295,334	1,122,879	1,484,265	964,201	1,109,821	719,227	852,612
Culinary Arts	-	-	-	-	113,983	99,065	78,759	98,829	81,379	96,542
Beaver's Den Child Care	-	183,677	178,374	185,651	151,021	145,780	170,893	163,530	139,586	166,537
Summer Camps	52,887	51,772	38,562	-	-	-	-	44,728	30,037	27,896
Educational Technology Training Center	-	-	-	-	-	-	414	-	-	19,677
Youth Transition to Work	-	-	-	-	-	-	566	-	115	-
Emergency Services Training Center	-	-	-	-	104,656	114,321	124,813	125,814	134,367	134,909
Culinary Express	-	-	-	-	13,863	7,061	3,051	4,877	-	-
Print Shop	-	-	-	-	23,318	5,545	1,159	144	651	-
Auto Body	-	-	-	-	4,315	4,683	-	-	-	-

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

	FISCAL YEAR ENDING JUNE 30,									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Total Business-Type Activities Expense	\$ 2,507,630	\$ 2,799,894	\$ 2,911,734	\$ 2,742,862	\$ 2,498,829	\$ 2,754,635	\$ 2,300,916	\$ 2,423,288	\$ 1,987,532	\$ 2,250,404
Total District Expenses	52,578,309	47,219,863	50,468,500	47,794,813	41,655,085	42,657,192	42,275,934	40,287,429	43,385,837	42,408,129
Revenues:										
Operating Grants & Contributions	12,849,014	4,909,248	8,625,754	7,465,548	2,942,819	3,115,319	3,996,594	3,291,743	3,592,102	3,528,468
Total Governmental Activities Program Revenues	12,849,014	4,909,248	8,625,754	7,465,548	2,942,819	3,115,319	3,996,594	3,291,743	3,592,102	3,528,468
Business-Type Activities:										
Charges for Services:										
Food Service	651,806	603,983	587,796	694,103	438,969	403,138	448,885	483,537	488,583	504,109
School Store	-	-	-	-	50,131	58,481	62,333	53,908	61,846	70,468
Adult Education Program	1,102,147	826,347	1,210,210	1,062,453	885,999	1,459,380	1,107,702	1,279,043	701,108	1,052,022
Culinary Arts	124,460	146,433	-	-	96,402	90,206	71,260	85,056	85,922	108,320
Beaver's Den Child Care	-	182,239	173,869	173,953	175,079	169,976	148,224	157,930	158,023	162,068
Summer Camps	52,735	51,055	39,025	-	-	-	-	-	-	-
Educational Technology Training Center	-	-	-	-	-	-	-	3,926	5,483	13,504
Youth Transitions to Work	-	-	-	-	-	-	-	-	-	-
Emergency Services Training Center:										
Food Services	-	-	-	-	-	-	-	-	-	-
Culinary Express	-	-	-	-	94,976	103,311	132,050	127,872	145,097	139,154
Print Shop	-	-	-	-	19,184	6,461	5,847	13,544	-	-
Auto Body	-	-	-	-	21,852	5,110	150	1,836	-	-
Engineering	-	-	-	-	4,524	3,071	2,000	-	-	-
Operating Grants:										
Food Service	554,409	562,139	538,731	508,849	475,088	491,433	441,529	390,207	322,626	322,565
Adult Education Program	12,343	5,852	-	-	-	-	-	-	-	-
Total Business Type Activities Program Revenues	2,497,900	2,378,048	2,549,631	2,439,358	2,262,204	2,790,567	2,419,980	2,596,859	1,968,688	2,372,210
Total District Program Revenues	\$ 15,346,914	\$ 7,287,296	\$ 11,175,385	\$ 9,904,906	\$ 5,205,023	\$ 5,905,886	\$ 6,416,574	\$ 5,888,602	\$ 5,560,790	\$ 5,900,678

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

	FISCAL YEAR ENDING JUNE 30,									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Net/(Expense)/Revenue:										
Governmental Activities	\$ (37,221,665)	\$ (39,510,721)	\$ (38,931,012)	\$ (37,586,403)	\$ (36,193,437)	\$ (36,787,238)	\$ (35,978,424)	\$ (34,572,398)	\$ (37,806,203)	\$ (36,629,257)
Business-Type Activities	(9,730)	(421,846)	(362,103)	(303,504)	(236,625)	35,932	119,064	173,571	(18,844)	121,806
Total District-Wide Net Expense	\$ (37,231,395)	\$ (39,932,567)	\$ (39,293,115)	\$ (37,889,907)	\$ (36,430,062)	\$ (36,751,306)	\$ (35,859,360)	\$ (34,398,827)	\$ (37,825,047)	\$ (36,507,451)
General Revenues & Other Changes in Net Position:										
Governmental Activities:										
County Appropriations	\$ 15,129,684	\$ 14,929,750	\$ 15,894,975	\$ 15,894,974	\$ 15,894,974	\$ 15,894,974	\$ 15,894,974	\$ 15,894,974	\$ 15,894,974	\$ 15,894,974
Unrestricted Grants & Contributions	14,850,123	14,995,140	14,775,162	15,244,160	15,683,915	15,327,183	14,318,309	13,585,336	15,201,244	13,970,569
Tuition Received	6,781,709	6,710,366	6,611,347	6,312,285	6,132,240	5,934,600	5,552,872	4,892,500	5,267,704	5,157,845
Investment Earnings	-	-	-	4,826	4,826	14,990	-	-	19,081	28,719
Miscellaneous Income	126,212	294,610	195,481	203,081	22,878	41,293	66,627	112,304	58,333	163,786
Other Financing Sources - Transfers, Miscellaneous / Other	(37,855)	-	(110,491)	-	-	-	18,327	-	(188,463)	(3,551,222)
Special Items:										
Loss on Disposal of Capital Assets	(4,898)	-	-	-	-	-	-	-	-	-
Board Contribution to County	(960,796)	-	-	-	-	-	-	-	-	-
Total Governmental Activities	35,884,179	36,929,866	37,366,474	37,659,326	37,738,833	37,213,040	35,851,109	34,485,114	36,252,873	31,664,671
Business-Type Activities	37,855	-	110,491	(50,470)	-	-	2,081	61,939	200,000	(214,087)
Total District-Wide	\$ 35,922,034	\$ 36,929,866	\$ 37,476,965	\$ 37,608,856	\$ 37,738,833	\$ 37,213,040	\$ 35,853,190	\$ 34,547,053	\$ 36,452,873	\$ 31,450,584
Change in Net Position:										
Governmental Activities	\$ (1,337,486)	\$ (2,580,855)	\$ (1,564,538)	\$ 72,923	\$ 1,545,396	\$ 425,802	\$ (127,315)	\$ (87,284)	\$ (1,553,330)	\$ (4,964,586)
Business-Type Activities	28,125	(421,846)	(251,612)	(353,974)	(236,625)	35,932	121,145	235,510	181,156	(92,281)
Total District	\$ (1,309,361)	\$ (3,002,701)	\$ (1,816,150)	\$ (281,051)	\$ 1,308,771	\$ 461,734	\$ (6,170)	\$ 148,226	\$ (1,372,174)	\$ (5,056,867)

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

	FISCAL YEAR ENDING JUNE 30,									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
General Fund:										
Restricted	\$ 2,906,184	\$ 2,906,184	\$ 2,900,696	\$ 3,021,492	\$ 2,032,580	\$ 1,910,267	\$ 500,000	\$ -	\$ -	\$ -
Assigned	2,497,196	442,891	1,295,716	1,601,104	581,563	820,691	857,547	1,420,198	852,580	1,510,668
Unassigned	(1,157,365)	122,514	671,440	578,474	766,333	605,719	599,984	547,908	68,426	625,990
Total General Fund	\$ 4,246,015	\$ 3,471,589	\$ 4,867,852	\$ 5,201,070	\$ 3,380,476	\$ 3,336,677	\$ 1,957,531	\$ 1,968,106	\$ 921,006	\$ 2,136,658
All Other Governmental Funds:										
Restricted	\$ -	\$ 351,004	\$ 351,004	\$ 337,068	\$ 1,063,746	\$ -	\$ -	\$ -	\$ -	\$ 8,610
Assigned, Reported in:	-	-	-	-	-	-	-	-	-	-
Special Revenue Fund	-	-	-	-	-	-	-	-	-	-
Capital Project Fund	-	-	-	-	-	-	45,097	45,097	45,097	51,262
Total All Other Governmental Funds	\$ -	\$ 351,004	\$ 351,004	\$ 337,068	\$ 1,063,746	\$ -	\$ 45,097	\$ 45,097	\$ 45,097	\$ 59,872

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

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Revenues:										
County Appropriations	\$ 15,129,684	\$ 14,929,750	\$ 15,894,975	\$ 15,894,974	\$ 15,894,974	\$ 15,894,974	\$ 15,894,974	\$ 15,894,974	\$ 15,894,974	\$ 15,894,974
Tuition from LEA's	6,781,709	6,710,366	6,611,347	6,132,240	6,132,240	5,934,600	5,552,872	4,892,500	4,534,530	4,413,200
Other Tuition	-	-	-	-	-	-	-	-	733,174	744,645
Miscellaneous	126,212	156,976	181,545	27,704	27,704	101,380	66,627	112,304	77,414	192,505
State Sources	18,822,562	18,400,334	17,858,771	17,187,250	17,187,250	17,119,177	16,209,113	15,438,042	14,560,585	15,979,724
Federal Sources	1,410,847	1,504,054	1,535,932	1,439,484	1,439,484	1,323,325	2,105,790	1,439,037	4,232,761	1,519,313
Total Revenue	42,271,014	41,701,480	42,082,570	40,681,652	40,681,652	40,373,456	39,829,376	37,776,857	40,033,438	38,744,361
Expenditures:										
Instruction:										
Regular Instruction	6,431,000	6,419,851	6,140,935	6,371,951	6,371,951	6,720,320	6,648,185	6,048,729	5,853,212	6,133,778
Special Education Instruction	1,778,049	2,139,517	2,209,892	-	-	-	-	-	-	-
Basic Skills/Remedial	-	-	-	-	-	-	121,124	67,646	92,558	79,247
Bilingual Education	-	-	-	-	-	-	9,557	7,782	9,185	7,610
Vocational	4,550,735	4,611,502	4,618,686	7,475,403	7,475,403	7,101,317	7,481,269	8,184,758	8,217,224	8,014,830
School - Sponsored/Other	1,192,601	1,149,279	1,147,632	1,335,352	1,335,352	1,357,943	1,325,872	1,396,972	1,350,422	1,336,051
Support Services:										
Student & Instruction Related										
Services	3,364,109	3,347,487	3,863,450	3,132,509	3,132,509	2,817,240	3,003,258	2,996,133	3,397,079	2,823,190
General Administration	707,247	711,033	669,675	673,373	673,373	691,287	711,855	949,840	1,007,380	920,625
School Administration	5,183,778	6,291,546	5,450,637	2,861,090	2,861,090	2,709,515	3,112,514	2,620,947	3,188,396	2,385,401
Plant Operations &										
Maintenance	5,067,123	5,244,011	5,312,351	5,652,374	5,652,374	5,043,336	5,101,692	5,269,878	5,402,894	5,557,227
Student Transportation	426,852	386,327	266,207	224,603	224,603	175,302	215,929	230,354	221,492	199,452
Business & Other Support										
Services	-	-	-	-	-	-	-	-	-	677,369
Employee Benefits	10,333,632	9,983,133	9,604,386	8,177,642	8,177,642	8,540,689	8,628,082	7,677,745	7,570,659	7,522,547

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

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Expenditures (continued):										
County Contribution	236,013	236,013	236,013	236,013	2,236,013	2,153,063	2,011,529	-	-	-
Capital Outlay	1,311,490	2,715,678	2,691,265	2,281,197	1,433,797	1,684,298	1,487,412	1,277,770	3,175,418	1,116,801
Special Schools	266,312	-	94,168	-	-	-	-	1,203	1,589,483	1,812,123
Total Expenditures	40,848,941	43,235,377	42,305,297	38,421,507	39,574,107	38,994,310	39,858,278	36,729,757	41,075,402	38,586,251
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	1,422,073	(1,533,897)	(222,727)	2,260,145	1,107,545	1,379,146	(28,902)	1,047,100	(1,041,964)	158,110
Other Financing Sources/(Uses):										
Miscellaneous/Other	(960,796)	137,634	13,936	-	-	(45,097)	-	-	11,537	-
Operating Transfers In/(Out)	(37,855)	-	(110,491)	50,470	-	-	18,327	-	(200,000)	(170,000)
Total Other Financing Sources/ (Uses)	(998,651)	137,634	(96,555)	50,470	-	(45,097)	18,327	-	(188,463)	(170,000)
Net Change in Fund Balances	\$ 423,422	\$ (1,396,263)	\$ (319,282)	\$ 2,310,615	\$ 1,107,545	\$ 1,334,049	\$ (10,575)	\$ 1,047,100	\$ (1,230,427)	\$ (11,890)

Source: District Records

Note: Noncapital expenditures are total expenditures less capital outlay.

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

	FISCAL YEAR ENDED JUNE 30									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Nonresident Tuition & Fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,743
Interest on Investments	13,501	5,488	1,322	3,381	1,260	14,990	16,078	30,526	19,081	28,719
Prior Year Worker's Comp. Claims	25,528	-	-	-	-	-	-	-	-	97,541
Rents \ Leases	-	40,503	33,763	16,730	-	12,543	18,406	26,370	35,750	48,325
Miscellaneous Refunds	18,924	1,620	87,918	87,918	-	-	-	10,886	-	-
Miscellaneous Fees	68,259	109,365	58,542	49,408	26,444	72,149	32,143	44,522	22,583	3,177
Miscellaneous Awards	-	-	-	-	-	-	-	-	-	-
Sale of Furniture & Equipment	-	-	-	-	-	-	-	-	-	-
Total	\$ 126,212	\$ 156,976	\$ 181,545	\$ 157,437	\$ 27,704	\$ 99,682	\$ 66,627	\$ 112,304	\$ 77,414	\$ 192,505

Source: District records

EXHIBIT J-6 THROUGH J-13 NOT APPLICABLE

EXHIBIT J-14

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

YEAR ENDED DECEMBER 31	SCHOOL DISTRICT POPULATION (1)	PERSONAL INCOME (2)	TOTAL PER CAPITA INCOME (3)	UNEMPLOYMENT RATE (4)
2017	448,596	N/A	N/A	4.10%
2016	448,342	25,471,205,704	56,812	4.40%
2015	448,844	24,843,964,244	55,351	5.80%
2014	450,318	23,796,154,074	52,843	6.30%
2013	449,858	23,003,938,688	51,136	8.90%
2012	451,256	22,896,278,184	50,739	8.90%
2011	450,486	22,387,802,742	49,697	9.00%
2010	449,200	21,554,862,000	47,985	8.50%
2009	446,108	21,220,911,452	47,569	4.40%
2008	445,492	21,259,769,224	47,722	3.80%

(1) NJ Dept. of Labor & Workforce Development

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

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

(4) NJ Dept. of Labor & Workforce Development

Source: State Department of Education

EXHIBIT J-15 NOT APPLICABLE

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

FUNCTION/PROGRAM	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Instruction:										
Regular	73.00	75.00	80.00	84.00	86.00	82.00	77.00	74.00	75.00	73.00
Special Education	48.00	53.00	26.00	29.00	28.00	29.00	31.00	41.00	45.00	41.00
Other Special Education	0.00	3.00	0.00	0.00	0.00	1.00	1.00	1.00	1.00	1.00
Vocational	54.00	54.00	44.00	44.00	54.00	51.00	52.00	53.50	59.50	59.50
Adult/Continuing Education Programs	0.00	0.00	10.00	9.00	0.00	0.00	0.00	0.00	8.50	14.50
Support Services:										
Student & Instructional Related Services	39.00	21.00	42.00	46.00	57.00	53.00	58.00	59.00	61.00	56.00
General Administration Services	3.00	18.00	8.00	9.00	10.00	4.00	5.00	5.00	4.00	4.00
School Administration Services	21.00	31.00	32.00	31.00	31.00	35.00	39.00	40.00	43.00	43.00
Business Administrative Services	9.00	9.00	8.00	7.00	1.00	6.00	6.00	6.00	6.00	9.00
Plant Operations & Maintenance	39.00	36.00	39.00	37.00	38.00	38.00	39.00	42.00	45.00	49.00
Total	286.00	300.00	289.00	296.00	305.00	299.00	308.00	321.50	348.00	350.00

Source: District Records

BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY
 OPERATING STATISTICS
 LAST TEN FISCAL YEARS

FISCAL YEAR ENDED JUNE 30,	ENROLLMENT	OPERATING EXPENDITURES	COST PER PUPIL	PERCENTAGE CHANGE	TEACHING STAFF	PUPIL / TEACHER RATIO HIGH SCHOOL	AVERAGE DAILY ENROLLMENT (ADE)	AVERAGE DAILY ATTENDANCE (ADA)	% CHANGE IN AVERAGE DAILY ENROLLMENT	STUDENT ATTENDANCE PERCENTAGE
2018	2,012	\$39,347,005	19,556	-5.41%	151.0	13.3	1960.70	1875.60	-0.87%	95.66%
2017	2,016	41,681,270	20,675	4.57%	168.0	11.6	1978.00	1874.02	-2.58%	94.74%
2016	2,063	40,789,583	19,772	7.09%	150.0	13.3	2030.33	1915.32	-0.12%	94.34%
2015	2,056	37,961,119	18,464	0.30%	157.0	12.8	2032.78	1923.30	0.29%	94.61%
2014	2,057	37,865,915	18,408	2.35%	168.0	11.9	2026.99	1917.40	-1.84%	94.59%
2013	2,096	37,696,837	17,985	-5.07%	163.0	12.5	2064.90	1935.90	3.91%	93.75%
2012	2,020	38,268,320	18,945	6.63%	160.0	12.2	1987.20	1857.90	1.52%	93.49%
2011	1,986	35,284,246	17,766	-10.88%	169.5	11.4	1957.50	1825.80	-1.76%	93.27%
2010	1,968	39,232,408	19,935	2.82%	180.5	10.9	1992.60	1853.20	2.25%	93.00%
2009	1,912	37,070,489	19,388	7.13%	174.5	11	1948.80	1807.90	-6.38%	92.77%

Source: District Records

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

DISTRICT BUILDINGS	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
High School:										
Westampton:										
Square Feet	316,957	316,957	316,957	316,957	316,957	316,957	316,957	316,957	316,957	316,957
Capacity (Students)	1,390	1,390	1,390	1,390	1,390	1,390	1,390	1,390	1,390	1,390
Enrollment	1,209	1,211	1,211	1,208	1,200	1,166	1,188	1,139	1,139	1,089
Medford:										
Square Feet	250,422	250,422	250,422	250,422	250,422	250,422	250,422	250,422	250,422	250,422
Capacity	1,150	1,150	1,150	1,150	1,150	1,150	1,150	1,150	1,150	1,150
Enrollment	763	790	790	799	800	770	767	829	829	823

Number of Schools at June 30, 2018:
Senior High School = 2

Source: District Facilities Office

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

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

FISCAL YEAR	WESTAMPTON CAMPUS	MEDFORD CAMPUS	TOTAL
2018	\$ 287,216	\$ 400,451	\$ 687,667
2017	387,424	356,075	743,499
2016	353,381	336,387	689,768
2015	348,581	348,581	697,162
2014	518,531	518,530	1,037,061
2013	517,145	447,904	965,049
2012	399,003	493,119	892,122
2011	416,401	269,373	685,774
2010	396,817	387,925	784,742
2009	460,945	466,390	927,335
Total	<u>\$ 4,085,444</u>	<u>\$ 4,024,735</u>	<u>\$ 8,110,179</u>

Source: District records

**BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY
INSURANCE SCHEDULE
June 30, 2018**

Insurance Overview:	EXPOSURE	PREMIUM
PROPERTY:	146,699,627	138,420
ENVIRONMENTAL LIABILITY		
EXCLUDES UST:	1,000,000	INCLUDED
REAL & PERSONAL PROPERTY	500,000,000	125,476
BEAZLEY BREACH RESPONSE:	1,000,000	INCLUDED
CRISIS MANAGEMENT:	1,000,000	INCLUDED
EDP:	1,300,000	3,702
EQUIPMENT BREAKDOWN:	100,000,000	9,242
CRIME:		
FAITHFUL PERFORMANCE:	100,000	348
MONEY & SECURITIES:	50,000	162
MONEY ORDERS/COUNTERFEIT:	50,000	463
FORGERY & ALTERATION:	50,000	463
COMPUTER FRAUD:	50,000	34
GENERAL LIABILITY:	16,000,000	39,378
AUTO LIABILITY:	16,000,000	66,295
AUTO PHYSICAL DAMAGE:	ACV BASIS	12,588
WORKERS COMPENSATION:	17,200,248	220,785
	NON PROF:	1,864,373
	EXPERIENCE MOD:	0.6133
WC SUPPLEMENTAL INDEMNITY:	7 DAYS	8,499
SCHOOL LEADERS ERRORS & OMISSIONS:	16,000,000	69,257
	15,000 DEDUCTIBLE	
STUDENT ACCIDENT:	GOLD PLAN	26,650
INCLUDING DAY CARE:	YES	
STUDENT ACCIDENT CAT:	5,000,000	8,520

Source: District records

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

SINGLE AUDIT SECTION

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EXHIBIT K-1

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Burlington County Institute of Technology, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Burlington County Institute of Technology’s basic financial statements, and have issued our report thereon dated February 14, 2019.

Internal Control Over Financial Reporting

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

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

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

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompany schedule of findings and questioned costs to be significant deficiencies as findings No. 2018-001 and 2018-002.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Burlington County Institute of Technology's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards*, and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey as finding No. 2018-001.

The Burlington County Institute of Technology's Response to Findings

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, and federal and state awarding agencies and pass-through entities, in considering the School District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

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

Medford, New Jersey
February 14, 2019

EXHIBIT K-2

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

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

Report on Compliance for Each Major Federal and State Program

We have audited the Burlington County Institute of Technology's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the School District's major federal and state programs for the fiscal year ended June 30, 2018. The Burlington County Institute of Technology's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

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

Opinion on Each Major Federal and State Program

In our opinion, the Burlington County Institute of Technology complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2018.

Report on Internal Control Over Compliance

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

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

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

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

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

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

Medford, New Jersey
February 14, 2019

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**BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

FEDERAL GRANTOR/PASS THROUGH GRANTOR/ PROGRAM TITLE OR CLUSTER	FEDERAL CFDA NUMBER	FEDERAL AWARD IDENTIFICATION NUMBER	PASS THROUGH ENTITY IDENTIFYING NUMBER	PROGRAM OR AWARD AMOUNT	GRANT PERIOD	BALANCE JUNE 30, 2017	CASH RECEIVED	BUDGETARY EXPENDITURES	PASSED THROUGH TO SUBRECIPIENTS	BALANCE, JUNE 30, 2018 (ACCOUNTS RECEIVABLE)	UNEARNED REVENUE
U.S. Department of Health and Human Services											
Passed Through New Jersey Department of Human Services:											
Medical Assistance Program (SEM)	93.778	1705NJ5MAP	100-054-7540-211	\$ 26,817	7/1/17-6/30/18	-	\$ 21,005	\$ (26,817)	-	\$ (5,812)	-
Medical Assistance Program (SEM)	93.778	1605NJ5MAP	100-054-7540-211	45,922	7/1/16-6/30/17	(10,873)	10,873	(26,817)	-	(5,812)	-
Total U.S. Department of Health and Human Services						(10,873)	31,878	(26,817)	-	(5,812)	-
U.S. Department of Agriculture											
Passed Through New Jersey Department of Agriculture:											
Child Nutrition Cluster:											
School Breakfast Program	10.553	171NJ304N1099	100-010-3350-028	139,364	7/1/17-6/30/18	-	124,598	(139,364)	-	(14,766)	-
National School Lunch Program	10.555	171NJ304N1099	100-010-3350-026	346,388	7/1/17-6/30/18	-	313,313	(346,388)	-	(33,075)	-
Food Distribution Program (Noncash Assistance)	10.555	171NJ304N1099	Unavailable	61,645	7/1/17-6/30/18	-	61,645	(60,790)	-	855	855
Total Child Nutrition Cluster							499,556	(546,542)	-	(47,841)	855
Total U.S. Department of Agriculture							499,556	(546,542)	-	(47,841)	855
U.S. Department of Education											
Passed Through New Jersey Department of Education:											
L.D.E.A. Part B (Special Education Cluster)											
Basic	84.027	H027A170100	100-034-5065-016	467,968	7/1/17-6/30/18	-	419,203	(467,968)	-	(48,765)	-
Total Special Education Cluster							419,203	(467,968)	-	(48,765)	-
E.S.E.A. Consolidated:											
Title I - Part A	84.010	S010A170030	100-034-5064-194	563,822	7/1/17-6/30/18	-	519,187	(563,822)	-	(44,635)	-
Title II - Part A, Supporting Effective Instruction	84.367	S367A170029	100-034-5063-290	36,838	7/1/17-6/30/18	-	519,187	(563,822)	-	(44,635)	-
Title IV - Part A	84.424	S424A170031	100-034-5063-348	13,451	7/1/17-6/30/18	-	36,838	(36,838)	-	-	-
Carl D. Perkins Vocational & Applied Technology Education Act Secondary	84.048	V048A170030	100-034-5062-100	301,951	7/1/17-6/30/18	-	13,451	(13,451)	-	-	-
Total U.S. Department of Education							1,290,629	(1,384,030)	-	(93,401)	-
U.S. Department of Labor											
Passed Through New Jersey Department of Labor:											
Vocational Rehabilitation Act of 1973	84.126	N/A	100-062-4535-100	12,343	7/1/17-6/30/18	-	12,343	(12,343)	-	-	-
Total U.S. Department of Labor							12,343	(12,343)	-	-	-
Total Expenditures of Federal Awards							\$ 1,834,406	\$ (1,969,732)	\$ -	\$ (147,054)	\$ 855

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

**BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

STATE GRANTOR/PROGRAM TITLE OR CLUSTER	GRANT OR STATE PROJECT NUMBER	AWARD AMOUNT	GRANT PERIOD	BALANCE JUNE 30, 2017	CASH RECEIVED	BUDGETARY EXPENDITURES	PASSED THROUGH TO SUBRECIPIENTS	BALANCE JUNE 30, 2017 ACCOUNTS RECEIVABLE	MEMO	
									BUDGETARY RECEIVABLE	CUMULATIVE TOTAL EXPENDITURES
New Jersey Department of Education:										
General Fund:										
State Aid Public:										
Equalization Aid	495-034-5120-078	\$ 13,228,997	7/1/17-6/30/18	\$ -	\$ 13,228,997	\$ (13,228,997)	\$ -	\$ -	\$ 1,299,567	\$ 13,228,997
Special Education Categorical Aid	495-034-5120-089	1,183,421	7/1/17-6/30/18	-	1,183,421	(1,183,421)	-	-	116,255	1,183,421
Security Aid	495-034-5120-084	125,257	7/1/17-6/30/18	-	125,257	(125,257)	-	-	12,305	125,257
Per Pupil Growth Aid	495-034-5120-097	20,760	7/1/17-6/30/18	-	20,760	(20,760)	-	-	2,039	20,760
PARCC Readiness	495-034-5120-098	20,760	7/1/17-6/30/18	-	20,760	(20,760)	-	-	2,039	20,760
Professional Learning Community Aid	495-034-5120-101	20,700	7/1/17-6/30/18	-	20,700	(20,700)	-	-	2,033	20,700
Adult Education Program Aid	100-034-5120-510	81,312	7/1/17-6/30/18	-	81,312	(81,312)	-	-	7,988	81,312
Total State Aid Public				-	14,681,207	(14,681,207)	-	-	1,442,226	14,681,207
Reimbursed TPAF Social Security Contributions (Non-Budgeted)	495-034-5094-003	893,684	7/1/17-6/30/18	-	850,261	(893,684)	-	(43,423)	-	893,684
Reimbursed TPAF Social Security Contributions (Non-Budgeted)	495-034-5094-003	927,690	7/1/16-6/30/17	(44,759)	44,759	-	-	-	-	-
TPAF - Post Retirement Medical (Noncash Assistance)	495-034-5094-001	1,231,256	7/1/17-6/30/18	-	1,231,256	(1,231,256)	-	-	-	1,231,256
TPAF - Pension	495-034-5094-002	1,906,328	7/1/17-6/30/18	-	1,906,328	(1,906,328)	-	-	-	1,906,328
TPAF - Long-Term Disability Insurance (Noncash Assistance)	495-034-5094-004	3,163	7/1/17-6/30/18	-	3,163	(3,163)	-	-	-	3,163
Total General Fund				(44,759)	18,716,974	(18,715,638)	-	(43,423)	1,442,226	18,715,638
Special Revenue Fund:										
Career and Technical Education State Aid										
Perkins Post Secondary	100-034-5062-032	102,906	7/1/17-6/30/18	-	102,906	(102,906)	-	-	-	102,906
Apprentice Coordinator	100-034-5062-032	15,000	7/1/17-6/30/18	-	11,948	(15,000)	-	(3,052)	-	15,000
Apprentice Coordinator	100-034-5062-032	15,000	7/1/16-6/30/17	(2,779)	2,779	-	-	-	-	-
Total Special Revenue Fund				(2,779)	117,633	(117,906)	-	(3,052)	-	117,906
New Jersey Department of Agriculture:										
National School Lunch Program	100-010-3350-023	7,867	7/1/17-6/30/18	-	7,132	(7,867)	-	(735)	-	7,867
Total Enterprise Fund				-	7,132	(7,867)	-	(735)	-	7,867
Total State Financial Assistance				(47,538)	18,841,739	(18,841,411)	\$ -	(47,210)	\$ 1,442,226	\$ 18,841,411
State Financial Assistance Programs not subject to Calculation for Major Program Determination:										
TPAF - Post Retirement Medical (Noncash Assistance)	495-034-5094-001	1,231,256	7/1/17-6/30/18			1,231,256				
TPAF Pension	495-034-5094-002	1,906,328	7/1/17-6/30/18			1,906,328				
TPAF Pension - Non contributory Insurance (Noncash Assistance)	495-034-5094-004	3,163	7/1/17-6/30/18			3,163				
										\$ (15,700,664)

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

**BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND STATE
FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

Note 1. Basis of Presentation

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

Note 2. Summary of Significant Accounting Policies

The accompanying schedules of expenditures of federal awards and state financial assistance are presented using the budgetary basis of accounting with the following exception: programs recorded in the enterprise fund are presented using the accrual basis of accounting and programs recorded in the capital projects fund are presented using the modified accrual basis of accounting. These bases of accounting are described in Note 1 to the School District's basic financial statements. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

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

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the School District for the year ended June 30, 2018. 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, 2018.

Note 3. Relationship to Basic Financial Statements

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

**BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND STATE
FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

Note 3. Relationship to Basic Financial Statements (continued)

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$(10,982) for the general fund and \$0 for the special revenue fund. See Exhibit C-3 Note A of the basic financial statements, for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance expenditures reported in the School District's basic financial statements on a GAAP basis are presented as follows:

<u>Fund</u>	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 26,817	\$ 18,704,656	\$ 18,731,473
Special Revenue Fund	1,384,030	117,906	1,501,936
Adult Education Fund	12,343	-	12,343
Food Service Fund	546,542	7,867	554,409
	<hr/>	<hr/>	<hr/>
Total Awards & Financial Assistance	<u>\$ 1,969,732</u>	<u>\$ 18,830,429</u>	<u>\$ 20,800,161</u>

Note 4. Relationship to Federal and State Financial Reports

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

Note 5. Federal and State Loans Outstanding

The Burlington County Institute of Technology had no loan balances outstanding at June 30, 2018.

**BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

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

State Financial Assistance

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

Auditee qualified as low-risk auditee? X yes no

Internal control over major programs:

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

 2) Significant deficiency(ies) identified? yes X no

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

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

Identification of major programs:

<u>State Grant/Project Number(s)</u>	<u>Name of State Program</u>
<u>495-034-5120-078</u>	<u>State Aid Public:</u>
<u>495-034-5120-084</u>	<u>Equalization Aid</u>
<u>495-034-5120-089</u>	<u>Security Aid</u>
<u>495-034-5120-097</u>	<u>Special Education Categorical Aid</u>
<u>495-034-5120-098</u>	<u>Per Pupil Growth Aid</u>
<u>495-034-5120-101</u>	<u>PARCC Readiness Aid</u>
<u>100-034-5120-510</u>	<u>Professional Learning Community Aid</u>
	<u>Adult Education Program Aid</u>

**BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY
SCHEDULE OF FINDINGS & QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

Section II – Financial Statement Findings

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

***Finding 2018-001**

Criteria or specific requirement:

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

Condition:

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

Context:

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

Cause:

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

Effect or potential effect:

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

Recommendation:

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

View of responsible officials and planned corrective actions:

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

*Denotes prior year finding.

**BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY
SCHEDULE OF FINDINGS & QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

Section II – Financial Statement Findings (Continued)

Finding 2018-002

Criteria or specific requirement:

The New Jersey Division of Pensions requires timely enrollment of employees into a pension plan.

Condition:

It was noted during our audit that the district made back deduction payments for not enrolling sixteen (16) employees into the pension plan within a reasonable amount of time.

Context:

Our audit revealed that one (1) employee within the Adult Education Fund and fifteen (15) employees within the Fire School Fund were not enrolled into the pension plan within a reasonable amount of time. Additionally, pension deductions were not withheld and back deductions were imposed on the School District by the New Jersey Division of Pensions. Eligible enrollment dates for the employees ranged from September 1998 to September 2008.

Cause:

Unknown.

Effect or potential effect:

By not enrolling employees timely, pension time was lost by those employees and penalties were assessed by the New Jersey Division of Pensions.

Recommendation:

That the District enroll all its new employees into a pension plan within a reasonable amount of time.

View of responsible officials and planned corrective actions:

The responsible officials agree with the finding. The current administration discovered the errors from prior years and made the necessary corrections.

**BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY
SCHEDULE OF FINDINGS & QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

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

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

FEDERAL AWARDS

None.

STATE FINANCIAL ASSISTANCE

None.

**BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

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

Financial Statement Findings

Finding No. 2017-001

Condition:

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

Current Status:

This finding has not been corrected.

Federal Awards

No Prior Year Findings.

State Financial Assistance

No Prior Year Findings.