

**BURLINGTON COUNTY INSTITUTE OF
TECHNOLOGY**

Westampton, New Jersey
County of Burlington

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Prepared by

**Burlington County Institute of Technology
Business Office**

OUTLINE OF CAFR

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INTRODUCTORY SECTION



**Burlington County Special Services School District
Burlington County Institute of Technology**

**Discover
Your
Potential**

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Business Administrator/
Board Secretary
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February 2, 2022

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

Dear Board Members/Citizens:

The Annual Comprehensive Financial Report (ACFR) of the Burlington County Institute of Technology for the fiscal year ended June 30, 2021, 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, 2021, 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 Annual Comprehensive 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 increased approximately 0.81% 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>
2020-2021	2,109	0.81%
2019-2020	2,092	3.98%
2018-2019	2,012	-0.20%
2017-2018	2,016	-5.41%
2016-2017	2,063	0.34%
2015-2016	2,056	-0.05%
2014-2015	2,057	-1.86%
2013-2014	2,096	3.76%
2012-2013	2,020	1.71%
2011-2012	1,986	1.63%

ECONOMIC CONDITION AND OUTLOOK

The impacts of COVID 19 have hit all areas of the global economy in some fashion. Inflation, labor shortages, and supply chain interruptions are a few of the major issues we as a nation continue to face. This impacts BCIT as we are seeing an increase in pricing for costs and services, having difficulties filling open positions, and supplies that assist the operates of a school district are often on back order. Thankfully, BCIT has received several federal grants to help offset the impacts of COVID 19. We plan to use these one time grants for one time expenditures to prevent operating deficits in the future. On another positive note, BCIT’s enrollment continues to grow to all time highs. We expect this trend to continue in the coming years as our programs continue to help our students become successful in these difficult times.

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

MAJOR INITIATIVES (continued)

program called “Literacy for Life” to enhance literary supports for students. 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.

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 Holt McNally & Associates, Inc., 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,



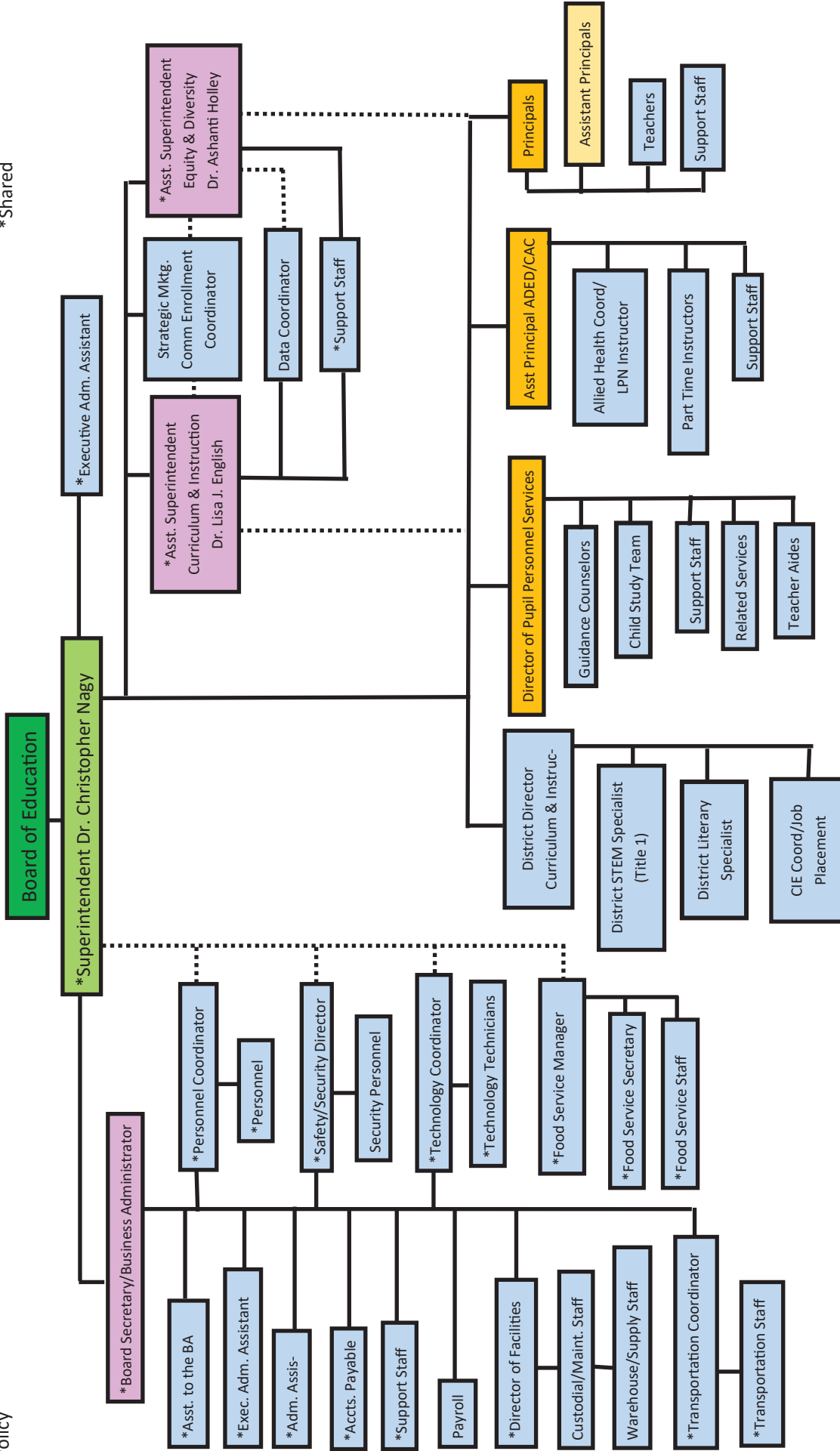
Christopher Nagy, Ed. D.
Superintendent



Andrew C. Willmott, CPA
School Business Administrator/Board Secretary

*Shared

Policy



ROSTER OF OFFICIALS

JUNE 30, 2021

MEMBERS OF THE BOARD OF EDUCATION	TERM EXPIRES
Paula D. Lee, President	2021
Leon E. Jones, Jr., Vice President	2023
Anna Evans	2022
Lorene Moore	2022
Michelle Parker	2023
Robert Brittain	2021

OTHER OFFICIALS

Dr. Christopher Nagy, Superintendent

Andrew Willmott, Business Administrator/Board Secretary

Constance L. Stewart, Treasurer

CONSULTANTS AND ADVISORS

ARCHITECT

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OFFICIAL DEPOSITORY

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FINANCIAL SECTION



BRENT W. LEE & CO., LLC
Certified Public Accounting Firm

Independent Auditor's Report

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

I have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund and the aggregate remaining fund information of the Burlington County Institute of Technology (the "District"), in the County of Burlington, State of New Jersey, as of and for the fiscal year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity'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, I express no such opinion. An audit also

includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the District as of June 30, 2021, 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

As discussed in Note 20 to the basic financial statements, the District implemented Governmental Accounting Standards Board (“GASB”) Statement No. 84, *Fiduciary Activities*, during the fiscal year ended June 30, 2021. My opinions are not modified with respect to this matter.

Other Matters

The financial statements of the District as of June 30, 2020 were audited by other auditors whose report dated February 2, 2021 expressed an unmodified opinion on those statements.

Required Supplemental Information

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

Other Information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District’s basic financial statements. The introductory section, combining and individual fund financial statements, long term-debt 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 and state financial assistance, are 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 and State Aid* are also not a required part of the basic financial statements.

The combining and individual fund financial statements, long-term debt schedules and the schedules of expenditures of federal and state awards are the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standard generally accepted in the United States of America. In my opinion, the combining and individual nonmajor the procedures performed as described above, the combining and individual fund financial statements, long-term debt schedules and the schedules of expenditures of federal and state awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued a report dated February 4, 2022 on my consideration of the District's internal control structure over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on 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 District's internal control over financial reporting and compliance.

Respectfully submitted,



Brent W. Lee
Certified Public Accountant
Licensed Public School Accountant No. 700

Cinnaminson, New Jersey
February 4, 2022

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REQUIRED SUPPLEMENTARY INFORMATION - PART I

BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2021
(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, 2021. 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, 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*.

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, 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.

Financial Analysis of the School District as a Whole

Table 1 provides a summary of the School Districts net position for the fiscal years 2021 compared to fiscal year 2020.

Table 1
Summary of Net Position

	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>Increase/ (Decrease)</u>	<u>Percentage Change</u>
Current & Other Assets	8,312,440	4,520,184	3,792,256	83.9%
Capital Assets, Net	44,930,244	46,946,268	(2,016,024)	-4.3%
Total Assets	<u>53,242,684</u>	<u>51,466,452</u>	<u>1,776,232</u>	3.5%
Deferred Outflow of Resources	<u>871,326</u>	<u>2,178,637</u>	<u>(1,307,311)</u>	-60.0%
Current and other Liabilities	3,485,300	2,353,316	1,131,984	48.1%
Noncurrent Liabilities	<u>10,306,457</u>	<u>12,195,978</u>	<u>(1,889,521)</u>	-15.5%
Total Liabilities	<u>13,791,757</u>	<u>14,549,294</u>	<u>(757,537)</u>	-5.2%
Deferred Inflow of Resources	5,289,387	5,473,820	(184,433)	-3.4%
Net Position:				
Net Investment in Capital Assets	44,551,244	46,946,268	(2,395,024)	-5.1%
Restricted	4,522,191	2,925,948	1,596,243	54.6%
Unrestricted (Deficit)	<u>(14,040,569)</u>	<u>(16,250,241)</u>	<u>2,209,672</u>	13.6%
Total Net Position	<u>35,032,866</u>	<u>33,621,975</u>	<u>1,410,891</u>	4.2%

Financial Analysis of the School District as a Whole

Table 2 shows the changes in net position for fiscal year 2021 compared to fiscal year 2020.

Table 2
Summary of Changes in Net Position (continued)

	June 30, 2021	June 30, 2020	Increase/ (Decrease)	Percentage Change
Revenues:				
Program Revenues:				
Charges for Services	893,170	1,464,943	-571,773	-39.0%
Operating Grants & Contributions	8,082,835	8,361,624	-278,789	-3.3%
General Revenues:				
County Appropriations	15,894,974	15,894,974	0	0.0%
Federal & State Aid	14,946,580	15,004,536	-57,956	-0.4%
Tuition	7,291,555	7,048,666	242,889	3.4%
Other Restricted Miscellaneous Revenue	8,480	404,401	-395,921	-97.9%
Miscellaneous Income	1,822,333	0	1,822,333	100.0%
Special Items:				
Cancellation of Prior Year Receivable	0	-9,160	9,160	-100.0%
Cancellation of Prior Year Payable	0	143	-143	-100.0%
Total Revenues	48,939,927	48,170,127	769,800	1.6%
Function/Program Expenditures:				
Regular Instruction	9,120,947	6,548,723	2,572,224	39.3%
Special Education Instruction		1,875,537	-1,875,537	-100.0%
Vocational Education	5,274,633	4,873,401	401,232	8.2%
Other Instruction	858,980	1,280,509	-421,529	-32.9%
Student & Instruction Related Services	3,426,853	3,409,198	17,655	0.5%
Other Administrative	664,343	612,833	51,510	8.4%
School Administrative Services	6,765,055	6,889,665	-124,610	-1.8%
Plant Operations & Maintenance	4,716,343	5,130,541	-414,198	-8.1%
Pupil Transportation	172,779	464,569	-291,790	-62.8%
Unallocated Benefits	12,613,782	13,077,669	-463,887	-3.5%
Special Schools	132,660	125,000	7,660	6.1%
Interest & Other Charges	236,013	236,013	0	0%
Unallocated Depreciation	2,602,054	2,665,287	-63,233	-2.4%
Adjustment to Fixed Assets	25,419	0	25,419	100.0%
Food Service	470,810	959,325	-488,515	-50.9%
Fire School	146,720	102,116	44,604	43.7%
Adult Education Programs	952,906	835,877	117,029	14.0%
Summer Camps	9,824	40,306	-30,482	-75.6%
General Administration	100,069	0	100,069	100.0%
Total Business Type Activities	48,290,190	49,126,569	-836,379	-1.7%
Change in Net Position	649,737	-956,442	1,606,179	167.9%
Net Position- Beginning	34,383,129	34,578,417	-195,288	-0.6%
Net Position- Ending	35,032,866	33,621,975	1,410,891	4.2%

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 2021, the net position of governmental activities increased by \$1,410,891. The primary reason for the increase was due to implementing GASB 84 and certain other revenues that were not anticipated this year. This is the cause the change in net position to go from a deficit of \$(967,864) to a positive of \$1,410,891.

The assets and deferred outflows of the primary government activities exceeded liabilities and deferred inflows by \$35,032,866, with an unrestricted deficit balance of \$14,040,569. 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 6% 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)	\$ (14,097,466)
Add back: PERS Pension Liability	9,070,738
Less: Deferred Outflows related to pensions	(871,326)
Add back: Deferred Inflows related to pensions	5,289,387
Unrestricted Net Position (Without GASB 68)	<u>\$ (608,667)</u>

Business-type Activities

During the fiscal year 2021, the net position of business-type activities decreased by \$5,934.

The assets and deferred outflows of the business-type activities exceeded liabilities and deferred inflows by \$79,420.

General Fund Budgeting Highlights

Final budgeted revenues were \$38,384,230, which was equal to the original budget. Excluding nonbudgeted revenues, the School District's actual revenues of \$38,801,553 exceeded budgeted revenues by \$1,309,226.

Final budgeted appropriations were \$38,864,230, which was an increase of \$417,343 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 of \$37,248,936 is less than budgeted appropriations by \$1,135,294.

General Fund Budgeting Highlights (continued)

The School District's general fund balance – budgetary basis (Exhibit C-1) was \$6,803,795 at June 30, 2021, an increase of \$2,661,462 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 \$5,344,916, an increase of \$2,652,034 from the prior year.

General fund - During the current fiscal year, the fund balance of the School District's general fund increased by \$2,652,034. The primary factor(s) affecting the change in fund balance of the general fund is as follows:

- As a District we are doing our best to build a healthy balance sheet.

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

Proprietary Funds

Food service fund - During the current fiscal year, the net position of the School District's food service fund increased by \$44,601. The primary factor(s) affecting the change in net position of the food service fund is as follows:

- We had a decrease in meals served due and an increase in expenditures due to Covid 19.
- District transferred money from the General budget to the Food Service Fund.

Fire School - During the current fiscal year, the net position of the School District's Fire School fund decreased by \$81,603. The primary factor(s) affecting the change in net position of the Fire School fund is as follows:

- Fire School had a decrease in enrollment for the year, while payroll costs increased. This is also due to smaller classroom sizes due to Covid 19.

Adult Education - During the current fiscal year, the net position of the School District's Adult Education fund increased by \$30,267. The primary factor(s) affecting the change in net position of the Adult Education fund is as follows:

- The revenues have increased in Adult Ed. Due to an increase in enrollment and we have improved our collections process.
- District transferred money from the General budget to the Adult Education fund..

Summer Camp - During the current fiscal year, the net position of the School District's Summer Camp fund increased by \$801. The primary factor(s) affecting the change in net position of the Summer Camp fund is as follows:

- We've traditionally had a loss in our Summer Camp Fund. We've increased the price to help us recoup prior period losses.
- District transferred money from the General budget to the Summer Camp fund..

Capital Assets

The School District's capital assets for its governmental and business-type activities as of June 30, 2021, totaled \$44,930,244 (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 \$2,015,994. This decrease is primarily due to current year additions being less than depreciation expenses. Table 3 shows fiscal 2021 balances compared to 2020.

Table 4
Summary of Capital Assets - Governmental Activities

Capital Assets (Net of Depreciation):	June 30, 2021	June 30, 2020	Increase/ (Decrease)	Percentage Change
Land Improvements	379,000	379,000	\$ -	0.0%
Building and Improvements	40,031,342	41,730,815	\$ (1,699,473)	-4.1%
Equipment	4,497,379	4,833,548	\$ (336,169)	-7.0%
	<u>44,907,721</u>	<u>46,943,363</u>	<u>\$ (2,035,642)</u>	-4.3%
Depreciation Expense	<u>2,602,054</u>	<u>2,665,827</u>		

Table 4
Summary of Capital Assets - Business Type Activities

Capital Assets (Net of Depreciation):	June 30, 2021	June 30, 2020	Increase/ (Decrease)	Percentage Change
Equipment	22,523	2,875	\$ 19,648	683.4%
	<u>22,523</u>	<u>2,875</u>	<u>\$ 19,648</u>	683.4%
Depreciation Expense	<u>3,305</u>	<u>1,435</u>		130.3%

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 Andrew C. Willmott, 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

A. Government-Wide Financial Statements

BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY
STATEMENT OF NET POSITION
JUNE 30, 2021

ASSETS	GOVERNMENTAL ACTIVITIES	BUSINESS - TYPE ACTIVITIES	TOTAL
Cash & Cash Equivalents	\$ 4,591,087	239,067	\$ 4,830,154
Internal Balances	27,091		27,091
Receivables, Net (Note 4)	491,553	30,277	521,830
Inventory		7,274	7,274
Restricted Cash & Cash Equivalents	2,926,091		2,926,091
Capital Assets, Net			
Non-depreciable	379,000		379,000
Depreciable (Note 5)	44,528,721	22,523	44,551,244
Total Assets	52,943,543	299,141	53,242,684
DEFERRED OUTFLOWS OF RESOURCES			
Related to Pensions (Note 8)	871,326		871,326
Total Deferred Outflows of Resources	871,326	-	871,326
LIABILITIES			
Unearned Revenue		165,606	165,606
Accounts Payable	2,454,241	54,115	2,508,356
Due to Other Governments	690,811		690,811
Accrued Salaries	120,527		120,527
Noncurrent Liabilities (Note 7):			
Due Beyond One Year	10,306,457		10,306,457
Total Liabilities	13,572,036	219,721	13,791,757
DEFERRED INFLOWS OF RESOURCES			
Related to Pensions (Note 8)	5,289,387		5,289,387
Total Deferred Inflows of Resources	5,289,387	-	5,289,387
NET POSITION			
Net Investment in Capital Assets	44,528,721	22,523	44,551,244
Restricted for:			
Excess Surplus	837,217		837,217
Capital Projects	2,926,091	-	2,926,091
Unemployment Compensation	642,745		642,745
Student Activities	116,138		116,138
Unrestricted (Deficit)	(14,097,466)	56,897	(14,040,569)
Total Net Position	\$ 34,953,446	79,420	\$ 35,032,866

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, 2021**

FUNCTIONS/PROGRAMS	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION		
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS & CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTALS
Governmental Activities:						
Instruction:						
Regular Instruction	\$ 7,185,471		1,609,757	(5,575,714)	\$	(5,575,714)
Special Education Instruction	1,935,476			(1,935,476)		(1,935,476)
Vocational Education	5,274,633			(5,274,633)		(5,274,633)
Other Instruction	858,980			(858,980)		(858,980)
Support Services:						
Student & Instruction Related Services	3,426,853		300,050	(3,126,803)		(3,126,803)
Other Administrative	664,343			(664,343)		(664,343)
School Administrative Services	6,765,055			(6,765,055)		(6,765,055)
Plant Operations & Maintenance	4,716,343			(4,716,343)		(4,716,343)
Pupil Transportation	172,779			(172,779)		(172,779)
Unallocated Employee Benefits	12,613,782		5,871,803	(6,741,979)		(6,741,979)
Special Schools	132,660			(132,660)		(132,660)
Debt Service:						
Interest & Other Charges	236,013			(236,013)		(236,013)
Unallocated Depreciation	2,602,054			(2,602,054)		(2,602,054)
Adjustment to Fixed Assets	25,419			(25,419)		(25,419)
Total Governmental Activities	46,609,861	-	7,781,610	(38,828,251)	-	(38,828,251)
Business-Type Activities:						
Food Service	470,810	9,050	286,361		(175,399)	(175,399)
Fire School	146,720	65,117			(81,603)	(81,603)
Adult Education Programs	952,906	718,309	14,864		(219,733)	(219,733)
Summer Camps	9,824	625			(9,199)	(9,199)
General Administration	100,069	100,069			-	-
Total Business-Type Activities	1,680,329	893,170	301,225	-	(485,934)	(485,934)
Total Primary Government	\$ 48,290,190	\$ 893,170	\$ 8,082,835	(38,828,251)	(485,934)	\$ (39,314,185)
General Revenues:						
Taxes:						
County Appropriation				15,894,974		15,894,974
Federal & State Aid Not Restricted				14,946,580		14,946,580
Tuition Charges				7,291,555		7,291,555
Other Restricted Miscellaneous Revenue				8,480		8,480
Miscellaneous Income				1,822,333		1,822,333
Transfers				(480,000)	480,000	-
Total General Revenues, Special Items, Extraordinary Items & Transfers				39,483,922	480,000	39,963,922
Change In Net Position				655,671	(5,934)	649,737
Net Position - July 1				33,536,621	85,354	33,621,975
Prior Period Adjustments				761,154		761,154
Net Position - July 1 (Restated)				34,297,775	85,354	34,383,129
Net Position - Ending				34,953,446	79,420	35,032,866
				\$	\$	\$

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

B. Fund Financial Statements

Governmental Funds

**BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2021**

ASSETS	GENERAL FUND	SPECIAL REVENUE FUND	TOTAL
Cash & Cash Equivalents	\$ 4,474,949	\$ 116,138	\$ 4,591,087
Interfund Receivable	355,365		355,365
Due from Other Governments:			
Federal	2,906	310,014	312,920
State	51,494	18,260	69,754
Other	108,879		108,879
Restricted Cash & Cash Equivalents	2,926,091		2,926,091
Total Assets	7,919,684	444,412	8,364,096
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts Payable	\$ 2,056,381		2,056,381
Interfund Payable		328,274	328,274
Payroll Deductions and Withholdings Payable	397,860		397,860
Accrued Salaries & Wages	120,527		120,527
Total Liabilities	2,574,768	328,274	2,903,042
Fund Balances:			
Restricted for:			
Excess Surplus	837,217		837,217
Capital Reserve	2,926,091		2,926,091
Unemployment Compensation	642,745		642,745
Student Activities		116,138	116,138
Assigned to:			
Other Purposes	162,806		162,806
Unassigned	776,057		776,057
Total Fund Balances	5,344,916	116,138	5,461,054
Total Liabilities & Fund Balances	\$ 7,919,684	444,412	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of assets is \$54,526,938 and the accumulated depreciation is \$99,434,659.	\$ 44,907,721
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	871,326
Deferred Inflows Related to Pensions	(5,289,387)
Accrued pension contributions for June 30, 2021 plan year are not paid with current economic resources and are therefore not reported as a liability in the funds, but are included in accounts payable in the government-wide statement of net position.	(690,811)
Long term liabilities, including compensated absences and net pension liability, are not due and payable in the current period and therefore are not reported as liabilities in the funds.	(10,306,457)
Net Position of Governmental Activities	\$34,953,446

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

**BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2021**

	GENERAL FUND	SPECIAL REVENUE FUND	TOTAL
Revenues:			
Local Sources:			
Local Tax Levy	\$ 15,894,974		\$ 15,894,974
Tuition Charges	7,291,555		7,291,555
Other Restricted Miscellaneous Revenue	8,480		8,480
Unrestricted Miscellaneous Revenues	1,712,020		1,712,020
Local Sources		110,313	110,313
Total Local Sources	24,907,029	110,313	25,017,342
State Sources	20,455,728	109,603	20,565,331
Federal Sources	24,297	2,138,562	2,162,859
Total Revenues	45,387,054	2,358,478	47,745,532
Expenditures:			
Instruction:			
Regular Instruction	7,511,190	1,609,757	9,120,947
Vocational Education	5,274,633		5,274,633
Other Instruction	858,980		858,980
Support Services & Undistributed Costs:			
Student & Instruction Related Services	3,126,803	300,050	3,426,853
Other Administrative Services	664,343		664,343
School Administrative Services	6,765,055		6,765,055
Plant Operations & Maintenance	4,716,343		4,716,343
Pupil Transportation	172,779		172,779
Unallocated Benefits	7,426,304	231,454	7,657,758
On-Behalf TPAF Pension & Social Security Contributions	5,640,349		5,640,349
Special Schools	132,660		132,660
Capital Outlay	363,833	227,968	591,801
Debt Service:			
Interest & Other Charges	236,013		236,013
Total Expenditures	42,889,285	2,369,229	45,258,514
Excess/(Deficiency) of Revenues Over Expenditures	2,497,769	(10,751)	2,487,018
Other Financing Sources/(Uses):			
Operating Transfers In (Out) - Transfer to Cover Deficit	(480,000)		(480,000)
Total Other Financing Sources & (Uses)	(480,000)	-	(480,000)
Net Change in Fund Balances	2,017,769	(10,751)	2,007,018
Fund Balance - July 1	2,692,882	-	2,692,882
Prior Period Adjustment	634,265	126,889	761,154
Fund Balance - July 1, Restated	3,327,147	126,889	3,454,036
Fund Balance - June 30	\$ 5,344,916	116,138	\$ 5,461,054

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

**BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021**

Total Net Change in Fund Balances - Governmental Funds (From B-2) \$2,007,018

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

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

Capital Outlays	\$ 591,801	
Adjustments per District Appraisal	(25,419)	
Depreciation Expense	(2,602,054)	(2,035,672)
		(2,035,672)

Pension contributions are reported in governmental funds as expenditures. However, in the statement of activities, the contributions are adjusted for actuarial valuation adjustments, including services and interest costs, administrative costs, investment returns, and experience/assumptions. This is the amount by which net pension liability and deferred inflows/outflows related to pension changed during the period. (1,205,196)

In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used/(paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (). 1,889,521

		\$655,671
Change in Net Position of Governmental Activities		

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

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Proprietary Funds

**BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY
 PROPRIETARY FUNDS
 STATEMENT OF NET POSITION
 JUNE 30, 2021**

ASSETS	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUND				GOVERNMENTAL ACTIVITIES	TOTALS
	FOOD SERVICE FUND	FIRE SCHOOL	ADULT EDUCATION	SUMMER CAMP	GENERAL ADMINISTRATION	
Current Assets:						
Cash & Cash Equivalents	\$ 47,848	-	159,668	31,551		\$ 239,067
Receivable:						
State	545	-	-	-		545
Federal	14,436	-	-	-		14,436
Other	-	10,925	4,371	-		15,296
Inventories	7,274	-	-	-		7,274
Total Current Assets	70,103	10,925	164,039	31,551	-	276,618
Noncurrent Assets:						
Equipment	46,982	-	6,943	-		53,925
Less: Accumulated Depreciation	(26,106)	-	(5,296)	-		(31,402)
Total Capital Assets, Net	20,876	-	1,647	-	-	22,523
Total Assets	90,979	10,925	165,686	31,551	-	299,141
LIABILITIES						
Current Liabilities:						
Unearned Revenue	12,747	-	130,109	22,750		165,606
Accounts Payable	-	4,082	22,942	-		27,024
Interfund Payables	-	27,091	-	-		27,091
Total Current Liabilities	12,747	31,173	153,051	22,750	-	219,721
NET POSITION						
Net Investment in Capital Assets	20,876	-	1,647	-		22,523
Unrestricted (Deficit)	57,356	(20,248)	10,988	8,801		56,897
Total Net Position	\$ 78,232	(20,248)	12,635	8,801	-	\$ 79,420

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

**BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY
 PROPRIETARY FUNDS
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
 FOR THE YEAR ENDED JUNE 30, 2021**

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUND				GOVERNMENTAL	TOTALS
	FOOD SERVICE FUND	FIRE SCHOOL	ADULT EDUCATION	SUMMER CAMP	GENERAL ADMINISTRATION	
OPERATING REVENUES						
Local Sources:						
Fees	\$ -	65,117	718,309	625	100,069	\$ 884,120
Daily Sales - Reimbursable Programs:						
School Lunch & Breakfast Programs	927	-	-	-	-	927
Daily Sales - Nonreimbursable Programs	4,022	-	-	-	-	4,022
Miscellaneous	1,318	-	-	-	-	1,318
Special Functions	2,783	-	-	-	-	2,783
Total Operating Revenue	9,050	65,117	718,309	625	100,069	893,170
OPERATING EXPENSES						
Salaries	128,160	118,831	774,947	9,824	100,069	1,131,831
Employee Benefits	86,518	-	68,283	-	-	154,801
Administrative Fees	74,472	-	-	-	-	74,472
Insurance	7,079	-	-	-	-	7,079
Supplies & Materials	49,372	-	93,889	-	-	143,261
Lease Payments	-	-	10,075	-	-	10,075
Depreciation	12,011	-	173	-	-	12,184
Textbooks	-	22,700	5,539	-	-	28,239
Miscellaneous	13,523	5,189	-	-	-	18,712
Cost of Sales - Reimbursable Programs	98,066	-	-	-	-	98,066
Cost of Sales - Non-Reimbursable Programs	1,609	-	-	-	-	1,609
Total Operating Expenses	470,810	146,720	952,906	9,824	100,069	1,680,329
Operating Income (Loss)	(461,760)	(81,603)	(234,597)	(9,199)	-	(787,159)
Nonoperating Revenues (Expenses):						
State Sources:						
State School Lunch Program	4,731	-	-	-	-	4,731
Federal Source:						
Vocational Rehabilitation Services	-	-	9,649	-	-	9,649
Financial Assistance	-	-	3,395	-	-	3,395
School Breakfast Program	84,854	-	-	-	-	84,854
National School Lunch Program	129,265	-	-	-	-	129,265
Healthy Hunger-Free Kids Act	-	-	-	-	-	-
Food Distribution Program	37,499	-	-	-	-	37,499
Adjustment to Capital Assets	30,012	-	1,820	-	-	31,832
Transfer In/(Out) General Fund	220,000	-	250,000	10,000	-	480,000
Total Nonoperating Revenues (Expenses)	506,361	-	264,864	10,000	-	781,225
Change in Net Position	44,601	(81,603)	30,267	801	-	(5,934)
Total Net Position-Beginning	33,631	61,355	(17,632)	8,000	-	85,354
Total Net Position-Ending	\$ 78,232	(20,248)	12,635	8,801	-	\$ 79,420

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

**BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2021**

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUND				GOVERNMENTAL	TOTALS
	FOOD SERVICE FUND	FIRE SCHOOL	ADULT EDUCATION	SUMMER CAMP	GENERAL ADMINISTRATION	
Cash Flows From Operating Activities:						
Receipts from Customers	\$ 46,132	72,005	852,375	23,375	100,069	\$ 1,093,956
Payments to Employees	(128,160)	-	-	(9,824)	(100,069)	(238,053)
Payments to Employee Benefits	(86,518)	-	-	-	-	(86,518)
Payments to Suppliers	(282,710)	(115,547)	(930,366)	-	-	(1,328,623)
Net Cash Provided by/(Used for) Operating Activities	(451,256)	(43,542)	(77,991)	13,551	-	(559,238)
Cash Flows From Noncapital Financing Activities						
State Sources	4,731	-	-	-	-	4,731
Federal Sources	251,618	-	13,044	-	-	264,662
Operating Subsidies & Transfers to Other Funds, Net	220,000	-	250,000	10,000	-	480,000
Net Cash Provided by/(Used for) Noncapital Financing Activities	476,349	-	263,044	10,000	-	749,393
Cash Flows From Capital & Related Financing Activities:						
Purchases of Capital Assets	-	-	-	-	-	-
Net Cash Provided by/(Used for) Capital & Related Financing Activities	-	-	-	-	-	-
Cash Flows From Investing Activities						
Interest & Dividends	-	-	-	-	-	-
Net Cash Provided y/(Used for) Investing Activities	-	-	-	-	-	-
Net Increase/(Decrease) in Cash & Cash Equivalents	25,093	(43,542)	185,053	23,551	-	190,155
Balances - Beginning of Year	22,755	43,542	(25,385)	8,000	-	48,912
Balances - End of Year	\$ 47,848	-	159,668	31,551	-	\$ 239,067

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

Operating Income/(Loss)	\$ (461,760)	(81,603)	(234,597)	(9,199)	-	\$ (787,159)
Adjustments to Reconcile Operating Income/(Loss) to Net Cash Provided by/(Used for) Operating Activities:						
Depreciation Expense	12,011	-	173	-	-	12,184
Change in Assets & Liabilities:						
(Increase)/Decrease in Accounts Receivable, Net	25,264	6,888	40,477	-	-	72,629
(Increase)/Decrease in Prepaid Expenses	-	-	-	-	-	-
(Increase)/Decrease in Inventories	5,328	-	-	-	-	5,328
Increase/(Decrease) in Unearned Revenue	11,818	-	93,589	22,750	-	128,157
Increase/(Decrease) in Accounts Payable	(43,917)	31,173	22,367	-	-	9,623
Total Adjustments	10,504	38,061	156,606	22,750	-	227,921
Net Cash Provided/(Used) by Operating Activities	(\$451,256)	(43,542)	(77,991)	13,551	-	(559,238)

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

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BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021**

BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

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, 2021 of 2,096 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 Statement No. 61, The Financial Reporting Entity: Omnis - an amendment of GASB Statements No. 14 and No. 34. and GASB 80, Blending Requirements for

BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2021 (continued)

Note 1. Summary of Significant Accounting Policies (continued)

certain component Units - an Amendment of GASB Statement No. 14. The School District had no component units as of for the year ended June 30, 2021.

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 the 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.

BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2021 (continued)

Note 1. Summary of Significant Accounting Policies (continued)

Proprietary Fund Financial Statements

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

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

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

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 while business-type activities incorporate data from the District’s enterprise funds. Separate financial statements are provided for governmental funds, proprietary funds.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal year-end. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital assets acquisitions are reported as expenditures in the governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2021 (continued)

Note 1. Summary of Significant Accounting Policies (continued)

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, Adult Education, Summer Camps and the Fire School 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, 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, such as, student activities.

BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2021 (continued)

Note 1. Summary of Significant Accounting Policies (continued)

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.

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.

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

General Administration Fund – This fund accounts for the revenues and expenses pertaining to the District’s shared services agreement for some general administrative functions.

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.

BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2021 (continued)

Note 1. Summary of Significant Accounting Policies (continued)

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

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

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

Exhibit C-3 presents a reconciliation of the general fund revenues and special revenue fund revenues and expenditures from the budgetary basis of accounts as presented in the General Fund Budgetary Comparison Schedules and the Special Revenue Fund Budgetary Comparison Schedule to the GAAP basis of accounting as presented in the Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds. Note that the District does not report encumbrances outstanding at fiscal year-end as expenditures in the general fund since the general fund budget follows modified accrual basis with the exception of the revenue recognition policy for the last state aid payments.

Encumbrances

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

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.

BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2021 (continued)

Note 1. Summary of Significant Accounting Policies (continued)

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

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

Tuition Payable/Receivable

Tuition rates for the fiscal year end June 30, 2021 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, including utilizing the half year convention for the first year of depreciation, over the following estimated lives:

BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)**

Note 1. Summary of Significant Accounting Policies (continued)

	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 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.

BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2021 (continued)

Note 1. Summary of Significant Accounting Policies (continued)

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:

- 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, 2021.
- 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.

BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2021 (continued)

Note 1. Summary of Significant Accounting Policies (continued)

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 components represents capital assets, net of accumulated depreciation, net of outstanding balances of borrowings used for acquisition, construction, or improvement of those assets.
- Restricted – Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.
- Unrestricted – Net position is reported as unrestricted when it does not meet the criteria of the other two components of net position.

Impact of Recently Issued Accounting Principles

Adopted Accounting Pronouncements

The following GASB Statements became effective for the fiscal year ended June 30, 2021:

Statement No. 84, Fiduciary Activities. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on 1) whether a government is controlling the assets of the fiduciary activity and 2) the beneficiaries with whom a fiduciary relationship exists. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. Management knows this Statement has a material impact on the District's financial statements and has presented the required changes accordingly on this year's financial statements.

Statement No. 95, Postponement of the Effective Dates of Certain Authoritative Guidance. The primary objective of this Statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. That objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later.

BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)**

Note 1. Summary of Significant Accounting Policies (continued)

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.

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.

BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)**

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, 2021, the School District’s bank balance of \$8,627,952 was exposed to custodial credit risk as follows:

Insured under FDIC and GUDPA	\$ 7,378,570
Uninsured and Uncollateralized	<u>1,249,382</u>
	<u>\$ 8,627,952</u>

Investments

The School District had no investments at June 30, 2021.

Note 3. Reserve Accounts

Capital Reserve

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

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

The activity of the capital reserve for the July 1, 2019 to June 30, 2020 fiscal year is as follows:

Beginning Balance, July 1, 2020	\$ 2,925,948
Increased by:	
Interest Earnings	<u>143</u>
Ending Balance, June 30, 2021	<u>\$ 2,926,091</u>

BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)**

Note 4. Accounts Receivable

Accounts receivable at June 30, 2021 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, 2021, consisted of the following:

<u>Description</u>	<u>Governmental Funds</u>		<u>Total Governmental Activities</u>
	<u>General Fund</u>	<u>Special Revenue Fund</u>	
Federal Awards	\$ 2,906	\$ 310,014	\$ 312,920
State Awards	51,494	18,260	69,754
Tuition	37,632	-	37,632
Other	71,247	-	71,247
Total	\$ 163,279	\$ 328,274	\$ 491,553

<u>Description</u>	<u>Proprietary Funds</u>			<u>Total Business-Type Activities</u>
	<u>Food Service</u>	<u>Fire School</u>	<u>Adult Education</u>	
Federal Awards	\$ 14,436	\$ -	\$ -	\$ 14,436
State Awards	545	-	-	545
Tuition	-	10,925	4,371	15,296
Other	-	-	-	-
Total	\$ 14,981	\$ 10,925	\$ 4,371	\$ 30,277

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**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)**

Note 5. Capital Assets

Capital assets activity for the year ended June 30, 2021 was as follows:

	Balance July 1, <u>2020</u>	<u>Additions</u>	Retirements <u>and Transfers</u>	Balance June 30, <u>2021</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	7,584,884	16,159	-	7,601,043
Buildings and Improvements	78,345,213	145,125	-	78,490,338
Equipment	<u>12,688,074</u>	<u>434,841</u>	<u>(158,637)</u>	<u>12,964,278</u>
Total Capital Assets being depreciated	<u>98,618,171</u>	<u>596,125</u>	<u>(158,637)</u>	<u>99,055,659</u>
Less: Accumulated Depreciation:				
Land Improvements	(4,672,713)	(282,382)	-	(4,955,095)
Buildings and Improvements	(39,526,539)	(1,578,405)	-	(41,104,944)
Equipment	<u>(7,854,526)</u>	<u>(741,267)</u>	<u>128,894</u>	<u>(8,466,899)</u>
Total Accumulated Depreciation	<u>(52,053,778)</u>	<u>(2,602,054)</u>	<u>128,894</u>	<u>(54,526,938)</u>
Total Capital Assets being depreciated, net	<u>46,564,393</u>	<u>(2,005,929)</u>	<u>29,743</u>	<u>44,528,721</u>
Total Governmental Activities Capital Assets, net	<u>\$ 46,943,393</u>	<u>(2,005,929)</u>	<u>29,743</u>	<u>\$ 44,907,721</u>
	Balance July 1, <u>2020</u>	Adjustments/ <u>Additions</u>	Retirements <u>and Transfers</u>	Balance June 30, <u>2021</u>
Business-Type Activities:				
Equipment	\$ 14,356	39,568	-	\$ 53,924
	<u>14,356</u>	<u>39,568</u>	<u>-</u>	<u>53,924</u>
Less: Accumulated Depreciation:				
Equipment	(11,481)	(19,920)	-	(31,401)
	<u>(11,481)</u>	<u>(19,920)</u>	<u>-</u>	<u>(31,401)</u>
Total Business-Type Activities Capital Assets, net	<u>\$ 2,875</u>	<u>19,648</u>	<u>-</u>	<u>\$ 22,523</u>

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

BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)**

Note 6. Interfund Receivables, Payables and Transfers

There were no individual interfund receivables/payables balances at June 30, 2021.

A summary of interfund transfers is as follows:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 355,365	\$ -
Food Service Fund	-	328,274
Fire School	-	27,091
	<u>\$ 355,365</u>	<u>\$ 355,365</u>

Note 7. Long-Term and Short-Term Obligations

Long-Term

During the fiscal year-ended June 30, 2021 the following changes occurred in long-term obligations for the governmental activities:

	<u>Balance July 1, 2020</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2021</u>	<u>Balance Due Within One Year</u>
Governmental Activities:					
Compensated Absences	\$ 1,914,182	12,348	-	\$ 1,926,530	\$ 25,710
Net Pension Liability	10,281,796	-	1,901,869	8,379,927	690,811
	<u>\$ 12,195,978</u>	<u>12,348</u>	<u>1,901,869</u>	<u>\$ 10,306,457</u>	<u>\$ 716,521</u>

For governmental activities, compensated absences and net pension liability are liquidated by the general fund. The District elected to record \$690,811 as current liability from the reported liability of \$9,070,738 for its proportionate share of the net pension liability as measured as of June 2020.

Bonds Authorized but not Issued

As of June 30, 2021, the School District had no bonds authorized but not issued.

Short-Term

During the fiscal year-ended June 30, 2021 the following changes occurred in short-term obligations for the governmental activities:

	<u>Balance July 1, 2020</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2021</u>	<u>Balance Due Within One Year</u>
Governmental Activities:					
Line of Credit	\$ -	\$ 4,600,000	\$ 4,600,000	-	\$ -
	<u>\$ -</u>	<u>\$ 4,600,000</u>	<u>\$ 4,600,000</u>	<u>\$ -</u>	<u>\$ -</u>

BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)**

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

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 an interest rate of 3.25% through June 29, 2021. The district drew down \$3,600,000 on December 15, 2020, \$600,000 on April 27, 2021 and repaid \$3,000,000 on April 27, 2021, and \$600,000 on June 2, 2021. As of June 30, 2021 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/annrpts.shtml.

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

The following represents the membership tiers for PERS:

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

Service retirement benefits of 1/55th 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 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 2020, the State's pension contribution was less than the actuarial determined amount.

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**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)**

Note 8. Pension Plans (continued)

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

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, 2021, the School District reported a liability of \$9,761,549 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2020. 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, 2019, to the measurement date of June 30, 2020. 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, 2020. The School District's proportion measured as of June 30, 2020, was 0.0556234968%, which was a decrease of 0.00149% from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the School District recognized full accrual pension expense of \$690,811 in the government-wide financial statements. This pension expense was based on the pension plans June 30, 2020 measurement date. At June 30, 2021 the School District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience	\$ 165,163	\$ 32,078
Changes of Assumptions	294,265	3,798,004
Net Difference between Projected and Actual Earnings on Pension Plan Investments	310,045	-
Changes in Proportion and Differences between District Contributions and Proportionate Share of Contributions	101,853	1,459,305
School District Contributions Subsequent to Measurement Date	<u>-</u>	<u>-</u>
	<u>\$ 871,326</u>	<u>\$ 5,289,387</u>

BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)**

Note 8. Pension Plans (continued)

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

\$871,326 reported as deferred outflows of resources related to pensions from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. The other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending	
<u>Dec 31</u>	<u>Amount</u>
2021	\$ 1,420,785
2022	(1,975,904)
2023	(2,111,973)
2024	(1,325,640)
2025	(366,920)
Thereafter	<u>(58,409)</u>
	<u>\$ (4,418,061)</u>

Actuarial Assumptions – The collective total pension liability for the June 30, 2019 measurement date was determined by an actuarial valuation as of July 1, 2018, which was rolled forward to June 30, 2019. This actuarial valuation used the following assumptions:

Inflation	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	2.00 - 6.00% Based on Years of Service
Thereafter	3.00 - 7.00% Based on Years of Service
Investment Rate of Return	7.00%

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2020.

BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)**

Note 8. Pension Plans (continued)

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

The actuarial assumptions used in the July 1, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2020) 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, 2020 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Equity	27.00%	7.71%
Non-U.S. Developed Market Equity	13.50%	8.57%
Emerging Market Equity	5.50%	10.23%
Private Equity	13.00%	11.42%
Real Assets	3.00%	9.73%
Real Estate	8.00%	9.56%
High Yield	2.00%	5.95%
Private Credit	8.00%	7.59%
Investment Grade Credit	8.00%	2.67%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Risk Mitigation Strategies	<u>3.00%</u>	3.40%
	<u>100.00%</u>	

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**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)**

Note 8. Pension Plans (continued)

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

Discount Rate - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2020. 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 and the non-employer contributing entity will be made based on 78% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for local employers. 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. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine 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, 2020, calculated using the discount rate of 7.00% 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:

	1% Decrease <u>(6.00%)</u>	Current Discount Rate <u>(7.00%)</u>	1% Increase <u>(8.00%)</u>
District's Proportionate Share of the Net Pension Liability	<u>\$ 11,418,546</u>	<u>\$ 9,070,738</u>	<u>\$ 7,078,559</u>

Additional Information - The following is a summary of the collective balances of the local group at June 30, 2021 and 2020:

Balances at June 30, 2021 and June 30, 2020

	<u>6/30/2021</u>	<u>6/30/2020</u>
Actuarial valuation date (including roll forward)	June 30, 2020	June 30, 2019
Deferred Outflows of Resources	\$ 2,347,583,337	\$ 3,149,522,616
Deferred Inflows of Resources	7,849,949,467	7,645,087,574
Net Pension Liability	16,435,616,426	18,143,832,135
District's portion of the Plan's total Net Pension Liability	0.05562%	0.05706%

BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)**

Note 8. Pension Plans (continued)

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

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

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

The following represents the membership tiers for TPAF:

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

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

Contributions - The contribution policy for TPAF is set by *N.J.S.A 18A:66* and requires contributions by active members and contributing employers. 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. For fiscal year 2020, the State's pension contribution was less than the actuarial determined amount.

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

BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)**

Note 8. Pension Plans (continued)

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

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, 2020 was \$78,924,624. The School District's proportionate share was \$-0-.

The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. 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, 2020, the State proportionate share of the TPAF net pension liability attributable to the School District was 0.1198573515%, which was a decrease of 0.00292% from its proportion measured as of June 30, 2019.

For the fiscal year ended June 30, 2021, the School District recognized \$4,907,869 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, 2020 measurement date.

Actuarial Assumptions – The total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	1.55 - 4.45% Based on Years of Service
Thereafter	2.75 - 5.65% Based on Years of Service
Investment Rate of Return	7.00%

Pre-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Employee mortality table with a 93.9% adjustment for males and 85.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Healthy Retiree mortality table with a 114.7% adjustment for males and 99.6% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability mortality rates were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 106.3% adjustment for males and 100.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2020.

The actuarial assumptions used in the July 1, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2018.

BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)**

Note 8. Pension Plans (continued)

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

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, 2020) 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, 2020 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Equity	27.00%	7.71%
Non-U.S. Developed Market Equity	13.50%	8.57%
Emerging Market Equity	5.50%	10.23%
Private Equity	13.00%	11.42%
Real Assets	3.00%	9.73%
Real Estate	8.00%	9.56%
High Yield	2.00%	5.95%
Private Credit	8.00%	7.59%
Investment Grade Credit	8.00%	2.67%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Risk Mitigation Strategies	3.00%	3.40%
	<u>100.00%</u>	

Discount Rate - The discount rate used to measure the total pension liability was 5.40% as of June 30, 2020. 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 2.21% as of June 30, 2020, 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 based on 78% of the actuarially determined contributions for the State. 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 2062. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2062, 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

BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)**

Note 8. Pension Plans (continued)

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

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 5.40% 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:

	1% Decrease <u>(4.40%)</u>	Current Discount Rate <u>(5.40%)</u>	1% Increase <u>(6.40%)</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>92,706,214</u>	<u>78,924,624</u>	<u>67,481,327</u>
	<u>\$ 92,706,214</u>	<u>\$ 78,924,624</u>	<u>\$ 67,481,327</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, 2020 and 2019:

Balances at June 30, 2021 and June 30, 2020

	<u>6/30/2021</u>	<u>6/30/2020</u>
Actuarial valuation date (including roll forward)	June 30, 2020	June 30, 2019
Deferred Outflows of Resources	\$ 9,626,548,228	\$ 10,129,162,237
Deferred Inflows of Resources	14,591,988,841	17,736,240,054
Net Pension Liability	61,993,498,,688	61,519,112,443
District's portion of the Plan's total Net Pension Liability	0.119857%	0.12278%

BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2021 (continued)

Note 8. Pension Plans (continued)

C. Defined Contribution Plan (DCRP)

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

Individuals eligible for membership in the DCRP include:

- State or local officials who are elected or appointed on or after July 1, 2007;
- Employees enrolled in the Public Employees' Retirement System (PERS) or Teachers' Pension and Annuity Fund (TPAF) on or after July 1, 2007, who earn salary in excess of established "maximum compensation" limits;
- Employees enrolled in the Police and Firemen's Retirement System (PFRS) or State Police Retirement System (SPRS) after May 21, 2010, who earn salary in excess of established "maximum compensation" limits;
- Employees otherwise eligible to enroll in the PERS or TPAF on or after November 2, 2008, who do not earn the minimum annual salary for PERS or TPAF Tier 3 enrollment but who earn salary of at least \$5,000 annually. The minimum salary in 2020 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, 2021, employee contributions totaled \$13,769, and the School District recognized an expense for payments made to the Defined Contribution Retirement program in the amount of \$10,140.

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, 2021 (continued)

Note 9. Other Post-Retirement Benefits (continued)

Preretirement mortality rates were based on the Pub-2010 Healthy “Teachers” (TPAF/ABP), “General” (PERS), and “Safety” (PFRS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2020. Postretirement mortality rates were based on the Pub-2010 “General” classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2020. Disability mortality was based on the Pub-2010 “General” classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2020.

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of actuarial experience studies for the periods July 1, 2015 – June 30, 2018, July 1, 2014 – June 30, 2018, and July 1, 2013 – June 30, 2018 for TPAF, PERS and PFRS, 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, 2020 was \$91,867,578. The School District’s proportionate share was \$0.

The OPEB Obligation was measured as of June 30, 2020, and the total OPEB Obligation used to calculate the OPEB Obligation was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. 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, 2020, the State proportionate share of the OPEB Obligation attributable to the School District was 0.001355%, which was a decrease of 0.000022% from its proportion measured as of June 30, 2019.

For the fiscal year ended June 30, 2020, the State of New Jersey recognized an OPEB expense in the amount of \$4,060,673 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, 2020 measurement date.

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 5.6% and decreases to a 4.5% long-term trend rate after seven years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rate for fiscal year 2021 through 2022 are reflected. The assumed post-65 medical trend is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.0% and decreases to a 4.5% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

Discount Rate

The discount rate for June 30, 2020 was 2.21%. 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. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (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, 2020, 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, 2020		
	At 1% Decrease (1.21%)	At Discount Rate (2.21%)	At 1% Increase (3.21%)
State of New Jersey's Proportionate Share of Total OPEB Obligations Associated with the School District	\$ 110,751,107	\$ 91,867,578	\$ 77,102,477
State of New Jersey's Total Non- employer Liability	\$ 81,748,410,002	\$ 67,809,962,608	\$ 56,911,439,160

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, 2020, 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:

	June 30, 2020		
	1% Decrease	Healthcare Cost Trend Rate *	1% Increase
State of New Jersey's Proportionate Share of Total OPEB Obligations Associated with the School District	\$ 74,158,607	\$ 91,867,578	\$ 112,955,027
State of New Jersey's Total Nonemployer OPEB Liability	\$ 54,738,488,540	\$ 67,809,962,608	\$ 83,375,182,975

* See Healthcare Cost Trend Assumptions for details of rates.

BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)**

Note 9. Other Post-Retirement Benefits (continued)

Additional Information

Collective balances of the Local Group at June 30, 2020 are as follows:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected & Actual Experience	10,295,318,750	(9,170,703,615)
Change in Assumptions	11,534,251,250	(7,737,500,827)
Contributions Made in Fiscal Year Ending 2020 After June 30, 2019 Measurement Date **	TBD	-
	<u>\$ 21,829,570,000</u>	<u>\$ (16,908,204,442)</u>

** Employer Contributions made after June 30, 2020 are reported as a deferred outflow of resources, but are not amortized in expense.

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

<u>Fiscal Year Ending June 30,</u>		
2021	\$	43,440,417
2022		43,440,417
2023		43,440,417
2024		43,440,417
2025		43,440,417
Thereafter		<u>4,704,163,473</u>
	\$	<u>4,906,365,558</u>

Plan Membership

At June 30, 2019, the Program membership consisted of the following:

	<u>June 30, 2019</u>
Active Plan Members	216,804
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	<u>149,304</u>
	<u>366,108</u>

Changes in the Total OPEB Liability

The change in the State's Total OPEB liability for the fiscal year ended June 30, 2021 (measurement date June 30, 2020) is as follows:

BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)**

Note 9. Other Post-Retirement Benefits (continued)

Total OPEB Liability

Service Cost	\$ 1,790,973,822
Interest Cost	1,503,341,357
Difference Between Expected & Actual Experience	11,544,750,637
Changes of Assumptions	12,386,549,981
Contributions: Member	35,781,384
Gross Benefit Payments	<u>(1,180,515,618)</u>
Net Change in Total OPEB Liability	26,080,881,563
Total OPEB Liability (Beginning)	<u>41,729,081,045</u>
Total OPEB Liability (Ending)	<u>\$ 67,809,962,608</u>
Total Covered Employee Payroll	\$ 14,809,962,608
Net OPEB Liability as a Percentage of Payroll	475%

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, 2021, the on-behalf payments for pension, social security, post-retirement medical costs, and long-term disability were \$3,500,780, \$1,040,338, \$1,097,090 and \$2,141, 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>
2020-2021	\$ 94,216	\$ 480	\$ 86,216	\$ 642,745
2019-2020	69,246	2,291	43,996	634,265
2018-2019	53,941	3,401	64,815	606,724

BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2021 (continued)

Note 11. Risk Management (continued)

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, 2021 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.

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

BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2021 (continued)

Note 14. Compensated Absences (continued)

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, 2021, the liability for compensated absences reported on the government-wide on the Statement of Net Position was \$1,926,530.

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 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, 2021 to various vendors, which are recorded in the general fund as assigned to other purposes in the amount of \$162,806.

Note 17. Fund Balances

General Fund (Exhibit B-1) – Of the \$5,344,916 General Fund balance at June 30, 2021, \$837,217 has been restricted for Excess Surplus; \$2,926,091 has been restricted for the Capital Reserve; \$642,745 has been restricted for Unemployment Compensation; \$162,806 has been assigned to other purposes; and \$776,057 has been unassigned.

Note 18. Calculation of Excess Surplus

In accordance with *N.J.S.A.18A:7F-7*, as amended by P.L. 2005, c.73 (S1701), the designation for Restricted Fund Balance Excess Surplus is a required calculation pursuant to the New Jersey Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund balance at the fiscal year-end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2021 is \$837,217. This balance will be appropriated in 2022-2023.

BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)**

Note 19. Operating Leases

The School District has commitments to lease various pieces of equipment and Chromebooks under operating leases. Total lease payments made during the year ended June 30, 2021 amounted to \$214,945. Future minimum lease payments are as follows:

Fiscal Year Ending <u>June 30,</u>	
2022	\$ 177,113
2023	<u>64,871</u>
Total Minimum Lease	<u>\$ 241,984</u>

Note 20. Prior Year Adjustment

GASB 84, Fiduciary Activities, was implemented during the fiscal year ended June 30, 2021. As part of this implementation, the activity for the Unemployment Compensation Insurance Trust Fund which had previously been reported in the Fiduciary Funds is now reported in the General Fund. The Student Activities Fund which had previously been reported in the Fiduciary Funds is now reported in the Special Revenue Fund. The ending balances as of June 30, 2020 were restated due to this implementation as follows:

	Balance June 30, 2020 as Previously <u>Reported</u>	Retroactive <u>Adjustments</u>	Balance June 30, 2020 <u>as Restated</u>
<u>Statement of Activities – Governmental Activities:</u>			
Net Position – Ending	\$33,536,621	761,154	\$34,297,775
<u>Statement of Revenues, Expenditures and Changes in Fund Balances:</u>			
General Fund - Fund Balance - Ending	2,692,882	634,265	3,327,147
Special Revenue – Fund Balance – Ending	- 0 -	126,889	126,889
<u>Statement of Changes in Fiduciary Fund Net Position:</u>			
Unemployment Compensation Trust:			
Net Position – Ending	634,265	(634,265)	- 0 -
Student Activities Trust:			
Net Position – Ending	126,889	(126,889)	- 0 -

Note 21. Subsequent Events

Management has reviewed and evaluated all events and transactions that occurred between June 30, 2021 and February 4, 2022, the date that the financial statements were available for issuance, for possible disclosure and recognition in the financial statements, and no items other than the below have come to the attention of the School District that would require disclosure.

The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the District's financial condition, liquidity, and future operations. Management is actively monitoring the global situation on its financial condition, liquidity, operations, suppliers, industry, and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the District is not able to estimate the effects of the COVID-19 outbreak on its results operations, financial condition, or liquidity for the fiscal year 2021-2022.

BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)**

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REQUIRED SUPPLEMENTARY INFORMATION - PART II

C. Budgetary Comparison Schedules

**BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR FISCAL YEAR ENDED JUNE 30, 2021**

	ACCOUNT NUMBER	JUNE 30, 2021			ACTUAL	VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
Revenues:						
Local Sources:						
County Appropriations	10-1210	\$15,894,974		15,894,974	15,894,974	\$ -
Tuition from LEAs	10-1310	7,353,963		7,353,963	7,291,555	(62,408)
Rents and Royalties	10-1910	30,000		30,000		(30,000)
Other Restricted Miscellaneous Revenue					8,480	8,480
Unrestricted Miscellaneous Revenues	10-1XXX	124,000		124,000	1,704,923	1,580,923
Interest Earned on Capital Reserve Funds	10-1XXX	11,000		11,000	7,097	(3,903)
Total Local Sources		23,413,937	-	23,413,937	24,907,029	1,493,092
State Sources:						
Equalization Aid		13,273,078		13,273,078	13,273,078	-
Categorical Special Education Aid		1,493,258		1,493,258	1,307,161	(186,097)
Categorical Security Aid		244,568		244,568	244,568	-
Nonbudgeted:						
On-Behalf TPAF Pension Contribution					3,500,780	3,500,780
On-Behalf TPAF Post-Retirement Medical Contribution					1,097,090	1,097,090
On-Behalf TPAF Long Term Disability Insurance Contribution					2,141	2,141
Reimbursed TPAF Social Security Contributions				-	1,040,338	1,040,338
Total State Sources		15,010,904	-	15,010,904	20,465,156	5,454,252
Federal Sources:						
Special Education Aid - Medicaid Initiative	10-4200	22,066		22,066	24,297	2,231
Total Federal Services		22,066	-	22,066	24,297	2,231
Total Revenues		38,446,907	-	38,446,907	45,396,482	6,949,575
Expenditures:						
Current Expense:						
Regular Programs - Grade 9-12 Instruction:						
Salaries of Teachers	11-140-100-101	6,954,578	(304,572)	6,650,006	6,543,212	106,794
Other Salaries for Instruction	11-140-100-106	365,437	(51,135)	314,302	302,960	11,342
Unused Sick Payment to Terminated/Retired Staff	11-140-100-299		21,860	21,860	21,860	-
Substitute Teachers - Salaries/S4t	11-140-100-300	362,300	97,736	460,036	381,812	78,224
Instruction Leases	11-140-100-440	88,750	57,728	146,478	146,091	387
Other Purchased Services	11-140-100-500	11,200	5,373	16,573	13,513	3,060
General Supplies	11-140-100-610	82,800	3,497	86,297	76,409	9,888
Textbooks	11-140-100-640	20,600	1,432	22,032	21,659	373
Home Instruction - Regular Programs:						
Salaries of Teachers	11-150-100-101	3,600		3,600	2,422	1,178
Purchased Professional Educational Services	11-150-100-320	13,500	(4,100)	9,400	1,252	8,148
Total Regular Programs - Instruction		7,902,765	(172,181)	7,730,584	7,511,190	219,394

**BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR FISCAL YEAR ENDED JUNE 30, 2021**

	ACCOUNT NUMBER	JUNE 30, 2021			ACTUAL	VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
Bilingual Education - Instruction:						
Salaries of Teachers	11-240-100-101	\$ 76,429	(10,000)	66,429	60,606	\$ 5,823
General Supplies	11-240-100-610	500	(500)	-		-
Total Bilingual Education - Instruction		76,929	(10,500)	66,429	60,606	5,823
Regular Vocational Programs - Instruction:						
Salaries of Teachers	11-310-100-101	4,602,731	(322,189)	4,280,542	4,262,142	18,400
Unused Sick Payment to Terminated/Retired Staff	11-310-100-299		30,000	30,000	30,000	-
Substitute Teachers - Salaries/S4t	11-310-100-320	183,000	39,630	222,630	203,666	18,964
Leases Payments	11-310-100-440	94,750	197,155	291,905	291,646	259
Other Purchased Services	11-310-100-500	37,050	22,580	59,630	55,211	4,419
General Supplies	11-310-100-610	399,100	(33,647)	365,453	337,683	27,770
Textbooks	11-310-100-640	32,250	4,134	36,384	34,977	1,407
Other Objects	11-310-100-800		269	269	269	-
Total Regular Vocational Programs - Instruction		5,348,881	(62,068)	5,286,813	5,215,594	71,219
Special Vocational Programs - Instruction:						
Salaries of Teachers - Career Major Tutors/S4t	11-320-100-300	170,000	(90,000)	80,000	55,638	24,362
General Supplies	11-320-100-600	6,000	112	6,112	3,401	2,711
Total Special Vocational Programs - Instruction		176,000	(89,888)	86,112	59,039	27,073
School Sponsored Cocurricular Activities Instruction:						
Salaries	11-401-100-101	399,135	(49,868)	349,267	326,148	23,119
Leases Payments	11-401-100-440	47,000	(16,950)	30,050	28,260	1,790
Other Purchased Services	11-401-100-500	49,000	(16,778)	32,222	26,741	5,481
Supplies & Materials	11-401-100-600	66,000	24,594	90,594	82,581	8,013
Other Objects	11-401-100-800	6,000	(3,491)	2,509	1,901	608
Student Non-Credit	11-421-100-103	35,154	(15,000)	20,154	8,227	11,927
Total School Sponsored Cocurricular Activities Instruction:		602,289	(77,493)	524,796	473,858	50,938
School Sponsored Athletics - Instruction:						
Salaries	11-402-100-100	625,107	(331,115)	293,992	278,534	15,458
Purchased Services	11-402-100-500	64,165	(50,307)	13,858	8,922	4,936
Supplies & Materials	11-402-100-600	56,285	(25,274)	31,011	30,010	1,001
Other Objects	11-402-100-800	7,650	(350)	7,300	7,050	250
Total School Sponsored Athletics - Instruction		753,207	(407,046)	346,161	324,516	21,645
Total Instruction		14,860,071	(819,176)	14,040,895	13,644,803	396,092
Undistributed Expenditures:						
Health Services:						
Salaries	11-000-213-100	159,688	10,314	170,002	167,566	2,436
Purchased Professional & Technical Services	11-000-213-300	37,700	(2,000)	35,700	35,700	-
Supplies & Materials	11-000-213-600	10,000	1,872	11,872	11,143	729
Total Health Services		207,388	10,186	217,574	214,409	3,165
Speech, OT, PT & Related Services:						
Purchased Professional Educational Services	11-000-216-320	80,900	(19,299)	61,601	58,933	2,668
Total Speech, OT, PT & Related Services		80,900	(19,299)	61,601	58,933	2,668
Other Support Services - Guidance:						
Salaries of Other Professional Staff	11-000-218-104	\$ 908,153	(14,675)	893,478	892,652	\$ 826
Salaries of Secretaries & Clerical	11-000-218-105	241,061	(3,322)	237,739	234,999	2,740
Unused Vacation Payment to Terminated/Retired Staff	11-000-218-199		6,016	6,016	6,016	-

**BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR FISCAL YEAR ENDED JUNE 30, 2021**

	ACCOUNT NUMBER	JUNE 30, 2021			ACTUAL	VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
Other Support Services - Guidance:						
Outside Workshop	11-000-218-390	5,000	(3,682)	1,318	1,068	250
Other Purchased Services	11-000-218-500	2,500	134	2,634	2,538	96
Supplies and Materials	11-000-218-600	9,000	(39)	8,961	7,811	1,150
Online Enrichment	11-000-218-800	1,500	179	1,679	1,679	-
Total Other Support Services - Guidance		1,167,214	(15,389)	1,151,825	1,146,763	5,062
Child Study Team:						
Salaries of Other Professional Staff	11-000-219-104	747,170	(8,011)	739,159	738,071	1,088
Salaries of Secretaries & Clerical	11-000-219-105	133,561	(12,727)	120,834	117,452	3,382
Other Salaries	11-000-219-110	31,996	(19,246)	12,750	8,047	4,703
Purchased Professional Educational Services	11-000-219-320	56,000	(39,125)	16,875	11,780	5,095
Outside Workshop	11-000-219-390	4,100	(3,346)	754	754	-
Leases Payments	11-000-219-440	10,000	(6,890)	3,110	2,179	931
Other Purchased Services	11-000-219-500	15,500	12,627	28,127	24,711	3,416
Supplies and Materials	11-000-219-600	17,600	(3,929)	13,671	13,533	138
Other Objects	11-000-219-800	7,360	1,105	8,465	8,465	-
Total Child Study Team		1,023,287	(79,542)	943,745	924,992	18,753
Improvement of Instructional Services:						
Salaries - Supervisor of Instruction	11-000-221-102	301,685	(9,814)	291,871	290,174	1,697
Salaries of Other Professional Staff	11-000-221-104	47,200		47,200	47,200	-
Salaries of Secretaries & Clerical	11-000-221-105	87,330	10,000	97,330	97,330	-
Other Salaries	11-000-221-110	12,500	(12,000)	500		500
Purchased Professional Education Services	11-000-221-320	81,400		81,400	81,400	-
Purchased Technical Services	11-000-221-340	68,181	2,854	71,035	68,897	2,138
Leases Payments	11-000-221-440	4,237		4,237	3,633	604
Other Purchased Services	11-000-221-500	24,415	(20,950)	3,465	2,130	1,335
Supplies and Materials	11-000-221-600	39,491	(12,727)	26,764	17,942	8,822
Other Objects	11-000-221-800	4,825	1,475	6,300	6,290	10
Travel	11-000-221-580	1,000		1,000	445	555
Total Improvement of Instruction Services		672,264	(41,162)	631,102	615,441	15,661
Educational Media Services/School Library:						
Salaries	11-000-222-100	145,543		145,543	145,543	-
Other Purchased Services	11-000-222-500	9,500	(3,363)	6,137	6,137	-
Supplies and Materials	11-000-222-600	16,500	(3,203)	13,297	11,796	1,501
Other Objects	11-000-222-800	200		200	65	135
Total Educational Media Services/School Library		171,743	(6,566)	165,177	163,541	1,636
Instructional Staff Training Services:						
Salaries of Other Professional Staff	11-000-223-104	5,600		5,600		5,600
Purchased Professional Education Services	11-000-223-320	10,000	(4,200)	5,800	2,724	3,076
Other Purchased Services	11-000-223-580	1,100	(520)	580		580
Total Instructional Staff Training Services		16,700	(4,720)	11,980	2,724	9,256
Support Services General Administration:						
Salaries	11-000-230-100	192,006	5,997	198,003	195,049	2,954
Unused Vacation Payment to Terminated/ Retired Staff	11-000-230-199		3,760	3,760	3,760	-
Other Purchased Professional Services	11-000-230-300	35,000	(30,000)	5,000	1,205	3,795
Legal Services	11-000-230-331	142,000	97,768	239,768	238,257	1,511

**BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR FISCAL YEAR ENDED JUNE 30, 2021**

	ACCOUNT NUMBER	JUNE 30, 2021			ACTUAL	VARIANCE POSITIVE/ FINAL TO (NEGATIVE) ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
Support Services General Administration:						
Audit Fees	11-000-230-332	\$ 59,000	54,220	113,220	53,220	\$ 60,000
Communications/Telephone	11-000-230-530	118,030	(3,764)	114,266	113,125	1,141
BOE Purchased Services	11-000-230-585	17,300	(13,000)	4,300	957	3,343
Supplies and Materials	11-000-230-600	7,500	(1,860)	5,640	5,640	-
Miscellaneous Expenditures	11-000-230-890	41,293	13,226	54,519	53,130	1,389
Total Support Services General Administration		612,129	126,347	738,476	664,343	74,133
Support Services School Administration:						
Salaries of Principals & Assistant Principals	11-000-240-103	911,005	7,199	918,204	918,204	-
Salaries of Secretarial & Clerical Assistants	11-000-240-105	561,285	(33,521)	527,764	524,718	3,046
Other Purchased Professional Services	11-000-240-300	32,000	(5,000)	27,000	25,178	1,822
Outside Workshop	11-000-240-390	1,500	(1,201)	299	299	-
Leases Payments	11-000-240-440	40,000		40,000	39,406	594
Other Purchased Services	11-000-240-500	43,796	(9,266)	34,530	27,597	6,933
Supplies and Materials	11-000-240-600	43,000	(17,113)	25,887	21,890	3,997
Other Objects	11-000-240-800	9,500	(14)	9,486	9,340	146
Total Support Services School Administration		1,642,086	(58,916)	1,583,170	1,566,632	16,538
Central Services:						
Salaries	11-000-251-100	394,770	50,451	445,221	445,221	-
Other Purchased Professional Services	11-000-251-330	227,922	(48,714)	179,208	169,831	9,377
Purchased Technical Services	11-000-251-340	39,000	(31,808)	7,192	4,970	2,222
Leases Payments	11-000-251-440	8,000		8,000	7,775	225
Supplies and Materials	11-000-251-600	40,500	4,852	45,352	36,458	8,894
Interest on Current Loans	11-000-251-831	40,000	5,446	45,446	45,446	-
Shared Service Agreement - County Board of Commissioners	11-000-251-897	2,000,000	1,684,073	3,684,073	3,684,073	-
Total Central Services		2,750,192	1,664,300	4,414,492	4,393,774	20,718
Information Technology:						
Purchased Technical Services	11-000-252-340	660,000	32,598	692,598	689,792	2,806
Non Instructional Mileage & Travel	11-000-252-580	1,500		1,500		1,500
General Supplies	11-000-252-610	150,000	(26,564)	123,436	114,857	8,579
Miscellaneous Expenditures	11-000-252-800	1,500		1,500		1,500
Total Information Technology		813,000	6,034	819,034	804,649	14,385
Required Maintenance for School Facilities:						
Salaries	11-000-261-100	68,776	(710)	68,066	65,871	2,195
Other Purchased Professional Services	11-000-261-300	25,000	(9,479)	15,521	13,823	1,698
Clean, Repair & Maintenance Services	11-000-261-420	375,000	(44,766)	330,234	319,512	10,722
General Supplies	11-000-261-610	143,000	78,505	221,505	195,487	26,018
Other Objects	11-000-261-800	6,807	(918)	5,889	5,746	143
Total Required Maintenance for School Facilities		618,583	22,632	641,215	600,439	40,776
Custodial Services:						
Salaries	11-000-262-100	1,833,607	(272,471)	1,561,136	1,542,835	18,301
Unused Vacation Payment to Terminated/Retired Staff	11-000-262-199		18,970	18,970	18,970	-
Unused Sick Payment to Terminated/Retired Staff	11-000-262-299		15,000	15,000	15,000	-
Other Purchased Professional Services	11-000-262-300	80,000	(24,000)	56,000	55,024	976
Clean, Repair & Maintenance Services	11-000-262-420	13,800	(2,720)	11,080	6,159	4,921
Other Purchased Property Services	11-000-262-490	115,000	(35,640)	79,360	69,621	9,739
Insurance	11-000-262-520	437,409	(52,036)	385,373	385,373	-

**BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR FISCAL YEAR ENDED JUNE 30, 2021**

	ACCOUNT NUMBER	JUNE 30, 2021			ACTUAL	VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
Custodial Services:						
General Supplies	11-000-262-610	\$ 105,000	(55,037)	49,963	44,825	\$ 5,138
Energy - Gas	11-000-262-621	123,000	81,115	204,115	203,277	838
Energy - Electric	11-000-262-622	1,210,000	(22,638)	1,187,362	1,165,101	22,261
Total Custodial Services		3,917,816	(349,457)	3,568,359	3,506,185	62,174
Security:						
Salaries	11-000-266-100	50,876	50,437	101,313	63,375	37,938
Other Purchased Professional Services	11-000-262-300	651,000	(143,201)	507,799	504,797	3,002
Supplies and Materials	11-000-266-610	45,000	5,000	50,000	41,547	8,453
Total Security		746,876	(87,764)	659,112	609,719	49,393
Student Transportation Services:						
Salaries for Pupil Transportation (Other Than Between Home & School)	11-000-270-162	298,000	(253,000)	45,000	43,576	1,424
Purchased Professional & Technical Services	11-000-270-390	175,000	(54,986)	120,014	113,820	6,194
Contracted Services (Other Than Between Home & School)	11-000-270-512	65,000	(33,048)	31,952	15,383	16,569
Total Student Transportation Services		538,000	(341,034)	196,966	172,779	24,187
Unallocated Benefits - Employee Benefits:						
Social Security Contributions	11-000-291-220	868,608	(96,200)	772,408	758,502	13,906
Other Retirement Contributions	11-000-291-241	651,043	(41,917)	609,126	609,126	-
Workmen's Compensation	11-000-291-260	350,000	(20,130)	329,870	328,264	1,606
Health Benefits	11-000-291-270	6,083,580	(276,363)	5,807,217	5,612,217	195,000
Tuition Reimbursement	11-000-291-280	80,000	38,195	118,195	118,195	-
Total Unallocated Benefits - Employee Benefits		8,033,231	(396,415)	7,636,816	7,426,304	210,512
Total Personal Services - Employee Benefits		8,033,231	(396,415)	7,636,816	7,426,304	210,512
Nonbudgeted:						
Reimbursed TPAF Pension Contributions					3,500,780	(3,500,780)
On-Behalf TPAF Post-Retirement Medical Contribution					1,097,090	(1,097,090)
On-Behalf TPAF Long Term Disability Insurance Contribution					2,141	(2,141)
Reimbursed TPAF Social Security Contributions					1,040,338	(1,040,338)
Total Undistributed Expenditures		23,011,409	429,235	23,440,644	28,511,976	(5,071,332)
Total Expenditures - Current Expense		37,871,480	(389,941)	37,481,539	42,156,779	(4,675,240)
Capital Outlay:						
Interest Deposit to Capital Reserve	10-604-000-000	11,000		11,000		11,000
Equipment:						
Grades 9-12	12-140-100-730		50,432	50,432	50,372	60
Vocational Programs - Regular Programs	12-310-100-730	3,000	90,066	93,066	84,263	8,803
Undistributed Expenditures:						
Information Technology	12-000-252-730		4,769	4,769	4,769	-
Operation & Maintenance of Plant Services	12-000-260-730		13,591	13,591	13,591	-
Security	12-000-266-730		8,000	8,000		8,000
School Vehicles	12-000-270-730	84,000	78,359	162,359	78,359	84,000
Total Equipment		87,000	245,217	332,217	231,354	100,863

**BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR FISCAL YEAR ENDED JUNE 30, 2021**

	ACCOUNT NUMBER	JUNE 30, 2021			ACTUAL	VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
Facilities Acquisition & Construction Services:						
Architectural/Engineering Services	12-000-400-334	15,000	71,209	86,209	71,209	15,000
Construction Services	12-000-400-450	93,754	10,838	104,592	61,270	43,322
Assessment for Debt Service on SDA Funding	12-000-400-896	236,013		236,013	236,013	-
Total Facilities Acquisition & Construction Services		344,767	82,047	426,814	368,492	58,322
Total Capital Outlay		442,767	327,264	770,031	599,846	170,185
Post Secondary Programs:						
Instruction:						
Salaries of Principals & Assistant Principals	13-000-200-103	132,660		132,660	132,660	-
Total Instruction		132,660	-	132,660	132,660	-
Total Post Secondary Programs		132,660	-	132,660	132,660	-
Total General Fund Expenditures		\$38,446,907	(62,677)	38,384,230	42,889,285	\$(4,505,055)
Excess/(Deficiency) of Revenues Over/(Under)						
Expenditures Before Other Financing Sources/(Uses)		\$ -	62,677	62,677	2,507,197	\$ 2,444,520
Other Financing Sources/(Uses):						
Transfer to Food Service	11-000-310-930		(220,000)	(220,000)	(220,000)	-
Transfer to Adult Education	11-000-310-930		(250,000)	(250,000)	(250,000)	-
Transfer to Summer Camp	11-000-310-930		(10,000)	(10,000)	(10,000)	-
Total Other Financing Sources/(Uses)		-	(480,000)	(480,000)	(480,000)	-
Excess/(Deficiency) of Revenues Over/(Under)						
Expenditures After Other Financing Sources/(Uses)		-	(417,323)	(417,323)	2,027,197	2,444,520
Fund Balances, July 1		4,142,333		4,142,333	4,142,333	
Prior Period Adjustment					634,265	634,265
Fund Balance - July 1, Restated		4,142,333	-	4,142,333	4,776,598	634,265
Fund Balances, June 30		\$ 4,142,333	(417,323)	3,725,010	6,803,795	3,078,785

RECAPITULATION OF BUDGET TRANSFERS:

Prior Year Reserve for Encumbrances	\$ 417,323
Total Budget Transfers	\$ 417,323

RECAPITULATION OF FUND BALANCE:

Restricted Fund Balance:	
Excess Surplus	\$ 837,217
Capital Reserve	2,926,091
Unemployment Compensation	642,745
Assigned Fund Balance:	
Year-end Encumbrances	162,806
Unrestricted Fund Balance	<u>2,234,936</u>
Subtotal	<u>6,803,795</u>
Reconciliation to Governmental Fund Statements (GAAP):	
Last Two State Aid Payments Not Recognized on GAAP Basis	<u>(1,458,879)</u>
Fund Balance per Governmental Funds (GAAP)	<u>\$ 5,344,916</u>

**BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR FISCAL YEAR ENDED JUNE 30, 2021**

	2021			ACTUAL	VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
Revenues:					
Federal Sources	872,899	1,265,663	2,138,562	2,138,562	
State Sources		109,603	109,603	109,603	
Local Sources		-	-	110,313	110,313
Total Revenues	872,899	1,375,266	2,248,165	2,358,478	110,313
Expenditures:					
Instruction:					
Salaries of Teachers	812,404	254,560	1,066,964	1,066,964	
Purchased Services		25,125	25,125	25,125	
Other Purchased Services		700	700	700	
General Supplies		516,968	516,968	516,968	
Total Instruction	812,404	797,353	1,609,757	1,609,757	-
Support Services:					
Other Salaries	34,940	70,307	105,247	105,247	
Employee Benefits		231,454	231,454	231,454	
Purchased Professional Services		23,633	23,633	23,633	
Other Purchased Services	25,555	15,592	41,147	41,147	
Travel Expenses		395	395	395	
Supplies		8,564	8,564	8,564	
Student Activities				121,064	(121,064)
Total Support Services	60,495	349,945	410,440	531,504	(121,064)
Facilities Acquisition & Construction Services:					
Instructional Equipment		227,968	227,968	227,968	
Total Expenditures	872,899	1,375,266	2,248,165	2,369,229	(121,064)
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	\$ -	-	-	(10,751)	(10,751)
Fund Balance, July 1				-	
Prior Period Adjustment				126,889	
Fund Balance, July 1 (Restated)				126,889	
Fund Balance, June 30				116,138	
Recapitulaton:					
Restricted:					
Student Activities				\$ 116,138	

**BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY
REQUIRED SUPPLEMENTARY INFORMATION - PART II
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR FISCAL YEAR ENDED JUNE 30, 2021**

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

	GENERAL FUND N-1	SPECIAL REVENUE FUND
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) Revenue		
From the Budgetary Comparison Schedule (C-Series)	\$45,396,482	2,358,478
Difference - Budget to GAAP:		
State Aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	1,449,451	-
The State Aid payment is recognized as revenue for budgetary purposes, and differs from GAAP, which does not recognize this revenue until subsequent year when the State recognizes the related expenses (GAASB 33)	(1,458,879)	-
Total Revenues as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds. (B-2)	\$45,387,054	2,358,478
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) Total Expenditures From the Budgetary Comparison Schedule	\$42,889,285	2,358,478
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds (B-2)	\$42,889,285	2,369,229

REQUIRED SUPPLEMENTARY INFORMATION - PART III

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

EXHIBIT L-1

**BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY - PERS ***

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's Proportion of the Net Pension Liability	0.050%	0.057%	0.061%	0.065%	0.068%	0.063%	0.062%	0.060%
District's Proportionate Share of the Net Pension Liability	\$ 9,070,738	10,281,796	12,094,666	15,180,650	20,270,326	14,238,819	11,270,221	11,934,066
District's covered employee payroll	4,293,926	3,992,037	3,935,821	4,307,524	4,331,643	4,402,691	N/A	N/A
District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	211.25%	257.56%	307.30%	352.42%	467.96%	323.41%	N/A	N/A
Plan Fiduciary Net Position as a Percentage of the Total Pension	58.32%	56.27%	53.60%	48.10%	40.14%	47.93%	52.08%	40.71%

EXHIBIT L-2

**SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS - PERS
SCHEDULE OF CONTRIBUTIONS ***

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Actuarially Determined Contribution	\$ 608,493	558,386	615,295	604,133	608,022	545,330	496,242	470,494
Contributions in relation to the Actuarially Determined Contributions	608,493	558,386	615,295	604,133	608,022	545,330	496,242	470,494
Contribution deficiency (excess)	-	-	-	-	-	-	-	-
Covered-Employee Payroll	\$4,293,926	\$3,992,037	3,935,821	4,307,524	4,331,643	4,402,691	N/A	N/A
Contributions as a Percentage of Covered - Employee Payroll	14.17%	13.99%	15.63%	14.03%	14.04%	12.39%	N/A	N/A

EXHIBIT L-3

**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY - TPAF ***

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
State's Proportion of the Net Pension Liability Associated with the District	0.120%	0.123%	0.126%	0.134%	0.132%	0.131%	0.141%	0.153%
District's Proportionate Share of the Net Pension Liability (Asset)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	78,924,624	75,348,738	80,401,576	90,032,997	103,775,425	82,910,065	75,768,194	77,761,685
Total	78,924,624	75,348,738	80,401,576	90,032,997	103,775,425	82,910,065	75,768,194	77,761,685
Covered-Employee Payroll	16,959,283	16,959,283	17,560,302	16,954,481	16,624,194	130,344,440	13,172,806	N/A
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Plan Fiduciary Net Position as a Percentage of the Total Pension	24.60%	26.95%	26.49%	25.41%	22.33%	28.71%	33.64%	33.76%

* - Until a full ten year trend is compiled, information will be presented for those years for which information is available.

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

**BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY
SCHEDULE OF THE DISTRICT'S CHANGES IN THE NET OPEB LIABILITY
AND RELATED RATIOS ***

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<u>Total OPEB Liability</u>				
Service Cost	2,257,007	2,240,998	2,528,749	\$ 3,034,957
Interest Cost	2,063,262	2,534,401	2,747,075	2,370,189
Difference Between Expected and Actual Experiences	14,855,022	(10,553,517)	(7,196,092)	-
Changes of Assumptions	16,781,050	856,765	(7,355,231)	(9,666,722)
Contributions: Members	48,476	52,287	59,234	63,988
Gross Benefit Payments	<u>(1,599,339)</u>	<u>(1,763,915)</u>	<u>(1,713,880)</u>	<u>(1,737,743)</u>
Net Change in Total OPEB Liability	34,405,478	(6,632,981)	(10,930,145)	(5,935,331)
Total OPEB Liability (Beginning)	<u>57,462,100</u>	<u>64,095,081</u>	<u>75,025,226</u>	<u>80,960,557</u>
Total OPEB Liability (Ending)	<u><u>91,867,578</u></u>	<u><u>57,462,100</u></u>	<u><u>64,095,081</u></u>	<u><u>\$ 75,025,226</u></u>
<u>Plan Fiduciary Net Position</u>				
Covered Employee Payroll	\$16,574,412	\$17,465,095	\$16,663,626	\$16,968,022
Net OPEB Liability as a Percentage Percentage of Payroll	554%	329%	385%	442%

Souce Documents:

All data for the measurement period was provided by the State of New Jersey Department of the Treasury other than covered employee payroll.

* - Until a full ten year trend is compiled, information will be presented for those years for which information is available.

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NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PART III

**BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PART III
YEAR ENDED JUNE 30, 2021**

Teachers Pension and Annuity Fund (TPAF)

Changes in Benefit Terms - None.

Changes in Assumptions - The discount rate changed from 5.60% as of June 30, 2019, to 5.40% as of June 30, 2020.

Public Employees' Retirement System (PERS)

Changes in Benefit Terms - None.

Changes in Assumptions - The discount rate changed from 6.28% as of June 30, 2019, to 7.00% as of June 30, 2020.

State Health Benefit Local Education Retired Employees Plan (OPEB)

Changes in Benefit Terms - None.

Changes in Assumptions - The discount rate changed from 3.50% as of June 30, 2019, to 2.21% as of June 30, 2020.

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OTHER SUPPLEMENTARY INFORMATION

D. School Based Budget Schedules

Not Applicable

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E. Special Revenue Fund

**BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES
AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	TITLE I	TITLE I REALLOCATION	TITLE II	TITLE IV	CARES
Revenues:					
Federal Sources	\$ 521,000	55,085	63,148	32,431	\$ 434,881
State Sources					
Local Sources					
Total Revenues	521,000	55,085	63,148	32,431	434,881
Expenditures:					
Instruction:					
Salaries of Teachers	228,987				322,143
Purchased Services				10,295	
Other Purchased Services					
General Supplies	90,902	55,085			
Total Instruction	319,889	55,085	-	10,295	322,143
Support Services:					
Salaries	76,620		20,520	8,107	
Employee Benefits	116,617		1,570	529	112,738
Purchased Professional Services	6,242			13,500	
Other Purchased Services	89		41,058		
Travel Expenses					
Supplies	1,543				
Student Activities					
Total Support Services	201,111	-	63,148	22,136	112,738
Facilities Acquisition & Construction Services:					
Instructional Equipment					
Total Expenditures	\$ 521,000	55,085	63,148	32,431	\$ 434,881

**BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	IDEA PART B	PERKINS SECONDARY	CORONAVIRIS RELIEF FUND	PERKINS POST SECONDARY	STUDENT ACTIVITIES	TOTAL
Revenues:						
Federal Sources	\$ 515,834	347,618	168,565			\$ 2,138,562
State Sources				109,603		109,603
Local Sources					110,313	110,313
Total Revenues	515,834	347,618	168,565	109,603	110,313	2,358,478
Expenditures:						
Instruction:						
Salaries of Teachers	515,834					1,066,964
Purchased Services		1,200		13,630		25,125
Other Purchased Services		700				700
General Supplies		168,903	168,565	33,513		516,968
Total Instruction	515,834	170,803	168,565	47,143	-	1,609,757
Support Services:						
Other Salaries						105,247
Employee Benefits						231,454
Purchased Services		2,667		1,224		23,633
Other Purchased Services						41,147
Travel Expenses		395				395
Supplies & Materials		1,916		5,105		8,564
Student Activities					121,064	121,064
Total Support Services	-	4,978	-	6,329	121,064	531,504
Facilities Acquisition & Construction Services:						
Instructional Equipment		171,837		56,131		227,968
Total Expenditures	515,834	347,618	168,565	109,603	121,064	2,369,229
Excess (Deficiency) of Revenue Over (Under) Expenditures	-	-	-	-	(10,751)	(10,751)
Fund Balance, July 1	-	-	-	-	-	-
Prior Period Adjustment					126,889	126,889
Fund Balance, July 1 (Restated)	-	-	-	-	126,889	126,889
Fund Balance, June 30	\$ -	-	-	-	116,138	\$ 116,138

F. Capital Projects Fund

Not Applicable

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G. Proprietary Funds

Enterprise Funds

(See Exhibits B-4 through B-6)

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Internal Service Fund

Not Applicable

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H. Fiduciary Fund

Not Applicable

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I. Long-Term Debt

Not Applicable

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STATISTICAL SECTION (Unaudited)

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

	FISCAL YEAR ENDING JUNE 30,									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Governmental Activities:										
Net Investment in Capital Assets	\$ 44,528,721	46,943,393	48,446,970	47,066,001	48,326,900	47,939,589	48,634,698	46,238,987	48,753,045	\$ 49,607,466
Restricted	4,522,191	2,925,948	2,920,609	2,906,184	3,257,188	4,547,416	4,959,664	3,677,889	2,730,958	1,402,644
Unrestricted	(14,097,466)	(16,332,720)	(16,863,094)	(15,063,778)	(15,338,195)	(13,660,257)	(13,203,076)	(664,447)	(776,970)	(728,879)
Total Governmental Activities	34,953,446	33,536,621	34,504,485	34,908,407	36,245,893	38,826,748	40,391,286	49,252,429	50,707,033	50,281,231
Business-Type Activities:										
Net Investment in Capital Assets	22,523	2,875	4,310	5,745	7,180	8,613	10,048	11,484	12,920	14,356
Unrestricted	56,897	82,479	69,622	171,091	141,531	561,944	812,121	1,164,659	1,399,848	1,362,480
Total Business-Type Activities	79,420	85,354	73,932	176,836	148,711	570,557	822,169	1,176,143	1,412,768	1,376,836
District-Wide:										
Net Investment in Capital Assets	44,551,244	46,946,268	48,451,280	47,071,746	48,334,080	47,948,202	48,644,746	46,250,471	48,765,965	49,621,822
Restricted	4,522,191	2,925,948	2,920,609	2,906,184	3,257,188	4,547,416	4,959,664	3,677,889	2,730,958	1,402,644
Unrestricted	(14,040,569)	(16,250,241)	(16,793,472)	(14,892,687)	(15,196,664)	(13,098,313)	(12,390,955)	500,212	622,878	633,601
Total District Net Position	\$ 35,032,866	33,621,975	34,578,417	35,085,243	36,394,604	39,397,305	41,213,455	50,428,572	52,119,801	\$ 51,658,067

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

FISCAL YEAR ENDING JUNE 30.

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Expenses:										
Governmental Activities:										
Instruction:										
Regular	\$ 9,120,947	6,548,723	5,978,178	6,431,000	6,419,851	6,140,935	6,261,811	6,371,951	6,720,320	6,648,185
Special	-	1,875,537	1,839,219	1,778,049	2,139,517	2,209,892	2,127,520			121,124
Other Special Instruction										9,557
Vocational	5,274,633	4,873,401	4,917,958	4,550,735	4,611,502	4,618,686	4,491,980	7,475,403	7,101,317	7,481,269
Other	858,980	1,280,509	1,184,648	1,192,601	1,149,279	1,147,632	1,096,561	1,335,352	1,357,943	1,325,872
Support Services:										
Student & Instruction Related Services	3,426,853	3,409,198	3,337,863	3,364,109	3,347,487	3,863,450	3,356,321	3,132,509	2,817,240	3,003,258
Other Administrative Services	664,343	612,833	602,555	707,247	711,033	669,675	472,789	673,373	691,287	711,855
School Administrative Services	6,765,055	6,889,665	3,321,968	5,183,778	6,291,546	5,450,637	5,950,198	2,861,090	2,709,515	3,112,514
Plant Operations & Maintenance	4,716,343	5,130,541	5,312,684	5,056,567	5,244,011	5,312,351	5,723,616	5,652,374	5,043,336	5,101,692
Student Transportation	172,779	464,569	488,457	426,852	386,327	266,207	227,069	224,603	175,302	215,929
Employee Benefits	12,613,782	13,077,669	14,707,496	18,299,369	11,555,036	14,041,522	11,822,122	8,177,642	8,540,689	8,628,082
Special Schools	132,660	125,000	201,348	266,312	94,168					
Interest & Other Charges	236,013	236,013	3,296,463	236,013	236,013	236,013	236,013	2,236,013	2,153,063	2,011,529
Increase in Compensated Absences	-							48,091	53,826	(47,604)
Adjustment to Fixed Assets	25,419				(213,482)				(24,132)	(788,067)
Unallocated Depreciation	2,602,054	2,665,287	2,611,271	2,578,047	2,541,849	3,386,374	2,885,486	947,855	2,562,851	2,439,823
Total Governmental Activities Expenses	46,609,861	47,188,945	47,800,108	50,070,679	44,419,969	47,556,766	45,051,951	39,136,256	39,902,557	39,975,018
Business-Type Activities:										
Food Service	470,810	959,325	1,319,065	1,272,312	1,214,964	1,289,212	1,261,877	915,279	834,659	882,459
School Store			20,803					49,515	59,256	74,601
Fire School	146,720	102,116								
Adult Education Program	952,906	835,877	1,004,620	1,182,431	1,349,481	1,405,586	1,295,334	1,122,879	1,484,265	964,201
Summer Camp	9,824	40,306	55,676	52,887	51,772	38,562				
Culinary Arts										
Beaver's Den Childcare					183,677	178,374	185,651	113,983	99,065	78,759
Educational Technology Training Center								151,021	145,780	170,893
Youth Transition to Work										414
Emergency Services Training Center								104,656	114,321	566
Culinary Express								13,863	7,061	3,051
Print Shop								23,318	5,545	1,159
Auto Body								4,315	4,683	
General Administration	100,069									
Total Business-Type Activities Expense	1,680,329	1,937,624	2,400,164	2,507,630	2,799,894	2,911,734	2,742,862	2,498,829	2,754,635	2,300,916
Total District Expenses	\$ 48,290,190	49,126,569	50,200,272	52,578,309	47,219,863	50,468,500	47,794,813	41,635,085	42,657,192	42,275,934
Program Revenues:										
Operating Grants & Contributions	\$ 7,781,610	7,918,504	9,600,768	12,849,014	4,909,248	8,625,754	7,465,548	2,942,819	3,115,319	3,996,594
Total Governmental Activities Program Revenues	7,781,610	7,918,504	9,600,768	12,849,014	4,909,248	8,625,754	7,465,548	2,942,819	3,115,319	3,996,594

BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY
CHANGES IN NET ASSETS - (ACCURAL BASIS OF ACCOUNTING);
LAST FOUR FISCAL YEARS

	FISCAL YEAR ENDING JUNE 30									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Business-Type Activities:										
Charges for Services:										
Food Service	\$ 9,050	429,994	646,160	651,806	603,983	587,796	694,103	438,969	403,138	\$ 448,885
School Store	65,117							50,131	58,481	62,333
Fire School	718,309	899,100	727,884	1,102,147	826,347	1,210,210	1,062,453	885,999	1,459,380	1,107,702
Adult Education Program	625	52,195	52,050	52,735	51,055	39,025				
Summer Camp	100,069									
General Administration		83,654	116,509	124,460	146,433	173,869	173,953	96,402	90,206	71,260
Culinary Arts					182,239			175,079	169,976	148,224
Beaver's Den Childcare								94,976	103,311	132,050
Culinary Express								19,184	6,461	5,847
Print Shop								21,852	5,110	150
Auto Body								4,524	3,071	2,000
Engineering										
Operating Grants:										
Food Service	286,361	419,350	578,167	554,409	562,139	538,731	508,849	475,088	491,433	441,529
Adult Education Program	14,864	23,770	39,020	12,343	5,852					
Business-Type Activities	1,194,395	1,908,063	2,159,790	2,497,900	2,378,048	2,549,631	2,439,358	2,262,204	2,790,567	2,419,980
Program Revenues										
Total District Program Revenues	\$ 8,976,005	9,826,567	11,760,558	15,346,914	7,287,296	11,175,385	9,904,906	5,205,023	5,905,886	\$6,416,574
Net (Expense)/Revenue:										
Governmental Activities	\$ (38,828,251)	\$ (39,270,441)	\$ (38,199,340)	\$ (37,221,665)	\$ (39,510,721)	\$ (38,931,012)	\$ (37,586,403)	\$ (36,193,437)	\$ (36,787,238)	\$ (35,978,424)
Business-Type Activities	(485,934)	(29,561)	(240,374)	(9,730)	(421,846)	(362,103)	(303,504)	(236,625)	35,932	119,064
Total District-Wide Net Expense	\$ (39,314,185)	(39,300,002)	(38,439,714)	(37,231,395)	(39,932,567)	(39,293,115)	(37,889,907)	(36,430,062)	(36,751,306)	(35,859,360)
General Revenues & Other Changes in Net Assets:										
Governmental Activities:										
County Appropriation	\$ 15,894,974	15,894,974	15,894,974	15,129,684	14,929,750	15,894,975	15,894,974	15,894,974	15,894,974	\$ 15,894,974
Unrestricted Grants & Contributions	14,946,580	15,004,536	14,956,271	14,850,123	14,995,140	14,775,162	15,244,160	15,683,915	15,327,183	14,318,309
Tuition Received	7,291,555	7,048,666	6,883,948	6,781,709	6,710,366	6,611,347	6,312,285	6,132,240	5,934,600	5,552,872
Investment Earnings							4,826	4,826	14,990	
Miscellaneous Income	1,822,333	404,401	215,071	126,212	294,610	195,481	203,081	22,878	41,293	66,627
Other Financing Sources - Transfers, Miscellaneous Other	(480,000)	(50,000)	(137,470)	(37,855)		(110,491)				18,327
Special Items:	8,480									
Loss on Disposal of Capital Assets			(17,376)	(4,898)						
Board Contribution to County				(960,796)						
Total Governmental Activities	39,483,922	38,302,577	37,795,418	35,884,179	36,929,866	37,366,474	37,659,326	37,738,833	37,213,040	35,851,109
Business-Type Activities	480,000	40,983	137,470	37,855		110,491	(50,470)			2,081
Total District-Wide	\$ 39,963,922	38,343,560	37,932,888	35,922,034	36,929,866	37,476,965	37,608,856	37,738,833	37,213,040	\$ 35,853,190
Change in Net Position:										
Governmental Activities	\$ 655,671	(967,864)	(403,922)	(1,337,486)	(2,580,855)	(1,564,538)	72,923	1,545,396	425,802	\$ (127,315)
Business-Type Activities	(5,934)	11,422	(102,904)	28,125	(421,846)	(251,612)	(353,974)	(236,625)	35,932	121,145
Total District	\$ 649,737	(956,442)	(506,826)	(1,309,361)	(3,002,701)	(1,816,150)	(281,051)	1,308,771	461,734	\$ (6,170)

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

	FISCAL YEAR ENDING JUNE 30,									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
General Fund										
Restricted	\$ 4,406,053	2,925,948	2,920,609	2,906,184	2,906,184	2,900,696	3,021,492	2,032,580	1,910,267	\$ 500,000
Assigned	162,806	603,420	442,104	2,497,196	442,891	1,295,716	1,601,104	581,563	820,691	857,547
Unreserved	776,057	(836,486)	(970,958)	(1,157,365)	122,514	671,440	578,474	766,333	605,719	599,984
Total General Fund	\$ 5,344,916	2,692,882	2,391,755	4,246,015	3,471,589	4,867,852	5,201,070	3,380,476	3,336,677	\$ 1,957,531
All Other Governmental Funds:										
Restricted	\$ -	-	-	-	351,004	351,004	337,068	1,063,746	-	\$ -
Assigned, Reported in: Capital Projects Fund										45,097
Total All Other Governmental Funds	\$ -	-	-	-	351,004	351,004	337,068	1,063,746	-	\$ 45,097

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

	FISCAL YEAR ENDING JUNE 30,									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Revenues:										
County Appropriation	\$ 15,894,974	15,894,974	15,894,974	15,129,684	14,929,750	15,894,975	15,894,974	15,894,974	15,894,974	\$ 15,894,974
Tuition from LEA's	7,291,555	7,048,666	6,883,948	6,781,709	6,710,366	6,611,347	6,132,240	6,132,240	5,934,600	5,552,872
Miscellaneous	1,720,500	306,053	215,071	126,212	156,976	181,545	27,704	27,704	101,380	66,627
Local Sources	110,313									
State Sources	20,565,331	19,515,737	19,278,058	18,822,562	18,400,334	17,858,771	17,187,250	17,187,250	17,119,177	16,209,113
Federal Sources	2,162,859	1,527,105	1,506,320	1,410,847	1,504,054	1,535,932	1,439,484	1,439,484	1,323,325	2,105,790
Total Revenues	47,745,532	44,292,535	43,778,371	42,271,014	41,701,480	42,082,570	40,681,652	40,681,652	40,373,456	39,829,376
Expenditures:										
Instruction:										
Regular Instruction	7,185,471	6,548,723	5,978,178	6,431,000	6,419,851	6,140,935	6,371,951	6,371,951	6,720,320	6,648,185
Special Education Instruction	1,935,476	1,875,537	1,839,219	1,778,049	2,139,517	2,209,892				121,124
Basic Skills/Remedial										9,557
Bilingual Education										
Vocational	5,274,633	4,873,401	4,917,958	4,550,735	4,611,502	4,618,686	7,475,403	7,475,403	7,101,317	7,481,269
Other Instruction	858,980	1,280,509	1,184,648	1,192,601	1,149,279	1,147,632	1,335,352	1,335,352	1,357,943	1,325,872
Support Services:										
Student & Instruction Related	3,426,853	3,409,198	3,337,863	3,364,109	3,347,487	3,863,450	3,132,509	3,132,509	2,817,240	3,003,258
General Administration	664,343	612,833	602,555	707,247	711,033	669,675	673,373	673,373	691,287	711,855
School Administration	6,765,055	6,791,317	3,321,968	5,183,778	6,291,546	5,450,637	2,861,090	2,861,090	2,709,515	3,112,514
Plant Operations & Maintenance	4,716,343	5,140,956	5,416,509	5,067,123	5,244,011	5,312,351	5,652,374	5,652,374	5,043,336	5,101,692
Pupil Transportation	172,779	464,569	488,457	426,852	386,327	266,207	224,603	224,603	175,302	215,929
Employee Benefits	13,298,107	11,432,057	11,004,204	10,333,632	9,983,133	9,604,386	8,177,642	8,177,642	8,540,689	8,628,082
Special Schools	132,660	125,000	201,348	266,312		94,168				
Capital Outlay	591,801	1,151,295	3,905,791	1,311,490	2,715,678	2,691,265	2,281,197	1,433,797	1,684,298	1,487,412
Interest & Other Charges	236,013	236,013	3,296,463	236,013	236,013	236,013	236,013	2,236,013	2,153,063	2,011,529
Total Expenditures	\$ 45,258,514	43,941,408	45,495,161	40,848,941	43,235,377	42,305,297	38,421,507	39,574,107	38,994,310	\$ 39,858,278

**BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS,
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)**

	FISCAL YEAR ENDING JUNE 30,									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Excess (Deficiency) of Revenues Over/(Under) Expenditures	\$ 2,487,018	351,127	(1,716,790)	1,422,073	(1,533,897)	(222,727)	2,260,145	1,107,545	1,379,146	\$ (28,902)
Other Financing Sources/(Uses):										
Transfers In/(Out)	(480,000)	(50,000)	(137,470)	(37,855)		(110,491)	50,470			18,327
Miscellaneous/Other				(960,796)	137,634	13,936			(45,097)	
Total Other Financing Sources/(Uses)	(480,000)	(50,000)	(137,470)	(998,651)	137,634	(96,555)	50,470	-	(45,097)	18,327
Net Change in Fund Balances	\$ 2,007,018	301,127	(1,854,260)	423,422	(1,396,263)	(319,282)	2,310,615	1,107,545	1,334,049	\$ (10,575)

Source: District records

Note: Non-capital 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,	INTEREST ON INVESTMENT	RENTS/ LEASES	REFUNDS	MISCELLANEOUS	TOTAL
2021	7,097		1,230,444	474,479	1,712,020
2020	11,894	12,112	253,202	28,845	306,053
2019	27,280	13,325	59,909	114,557	215,071
2018	13,501		18,924	93,787	126,212
2017	5,488	40,503	1,620	109,365	156,976
2016	1,322	33,763	87,918	58,542	181,545
2015	3,381	16,730	87,918	49,408	157,437
2014	1,260			26,444	27,704
2013	14,990	12,543		72,149	99,682
2012	16,078	18,406		32,143	66,627

Note: Excludes the Capital Projects Fund as these expenditures vary substantially from year to year. The Financial data presented would not be as meaningful for comparative purposes if these were included.

Source: District Records.

EXHIBIT J-6 THROUGH J-13 NOT APPLICABLE

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

YEAR	COUNTY POPULATION (a)	PERSONAL INCOME (b)	COUNTY PER CAPITA PERSONAL INCOME (c)	COUNTY UNEMPLOYMENT RATE (d)
2020	446,596	N/A	N/A	8.2%
2019	446,160	28,378,006,800	63,605	3.3%
2018	445,429	27,279,853,676	61,244	3.7%
2017	446,229	26,520,281,928	59,432	4.1%
2016	447,092	25,909,428,492	57,951	4.4%
2015	447,906	25,206,805,962	56,277	5.2%
2014	449,806	24,186,068,620	53,770	6.3%
2013	448,992	23,183,701,920	51,635	7.9%
2012	450,667	23,031,787,702	51,106	9.2%
2011	450,250	22,517,903,000	50,012	8.8%

Source: New Jersey Department of Education

(a) Population information provided by the New Jersey Department of Labor and Workforce Development

(b) Estimated based upon the Municipal Population and Per Capita Personal Income presented

(c) Estimated based upon the 2020 Census published by the U.S. Bureau of Economic Analysis

(d) Unemployment data provided by the New Jersey Department of Labor and Workforce Development

EXHIBIT J-15 NOT APPLICABLE

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

Function/Program	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Instruction:										
Regular	72.00	74.00	69.00	73.00	75.00	80.00	84.00	86.00	82.00	77.00
Special Education	45.00	45.00	46.00	48.00	53.00	26.00	29.00	28.00	29.00	31.00
Other Special Education					3.00				1.00	1.00
Vocational	56.00	54.00	53.00	54.00	54.00	44.00	44.00	54.00	51.00	52.00
Adult/Continuing Education Programs	5.00	4.00	3.00			10.00	9.00			
Support Services:										
Student & Instruction Related Services	38.50	38.50	37.50	39.00	21.00	42.00	46.00	57.00	53.00	58.00
General Administrative Services	5.00	5.00	5.00	3.00	18.00	8.00	9.00	10.00	4.00	5.00
School Administrative Services	18.00	18.00	19.00	21.00	31.00	32.00	31.00	31.00	35.00	39.00
Business Administrative Services	10.00	9.00	9.00	9.00	9.00	8.00	7.00	1.00	6.00	6.00
Plant Operations & Maintenance	36.00	39.00	33.00	39.00	36.00	39.00	37.00	38.00	38.00	39.00
Total	285.50	286.50	274.50	286.00	300.00	289.00	296.00	305.00	299.00	308.00

Source: District Personnel Records

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

FISCAL YEAR	ENROLLMENT	OPERATING EXPENDITURES	COST PER PUPIL	PERCENTAGE CHANGE	TEACHING STAFF (b)	PUPIL/TEACHER RATIO	AVERAGE DAILY ENROLLMENT (ADE)	AVERAGE DAILY ATTENDANCE (ADA)	% CHANGE IN AVERAGE DAILY ENROLLMENT	STUDENT ATTENDANCE PERCENTAGE
2021	2,136	\$45,022,501	21,078	4.49%	173.0	12.4/1	2,118.56	2,050.82	1.42%	96.80%
2020	2,109	43,705,395	20,723	2.66%	173.0	12.5/1	2,088.95	2,000.96	5.47%	95.79%
2019	2,092	42,198,698	20,171	-0.07%	168.0	12.5/1	2,067.84	1,978.74	4.40%	95.69%
2018	2,012	40,612,928	20,185	-5.36%	176.0	11.4/1	1,980.70	1,875.60	0.15%	94.69%
2017	2,016	42,999,364	21,329	4.59%	168.0	12.0/1	1,977.74	1,876.06	-2.59%	94.86%
2016	2,063	42,069,284	20,392	9.80%	150.0	13.8/1	2,030.33	1,915.32	-0.12%	94.34%
2015	2,056	38,185,494	18,573	2.32%	157.0	13.1/1	2,032.78	1,923.30	0.29%	94.61%
2014	2,057	37,338,094	18,152	3.27%	168.0	12.2/1	2,026.99	1,917.40	-1.84%	94.59%
2013	2,096	36,841,247	17,577	-6.19%	163.0	12.9/1	2,064.90	1,935.90	3.91%	93.75%
2012	2,020	37,846,749	18,736	5.46%	160.0	12.6/1	1,987.20	1,857.90	1.52%	93.49%

Sources: District records

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

DISTRICT BUILDINGS	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Elementary Schools:										
Westampton Campus:										
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	1,240	1,257	1,255	1,209	1,211	1,211	1,208	1,200	1,166	1,188
Lumberton Campus:										
Square Feet	250,422	250,422	250,422	250,422	250,422	250,422	250,422	250,422	250,422	250,422
Capacity (Students)	1,150	1,150	1,150	1,150	1,150	1,150	1,150	1,150	1,150	1,150
Enrollment	896	852	837	763	790	790	799	800	770	767

Number of Schools at June 30, 2021:
Other = 2

Source: District Facilities Office

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

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

*	WESTAMPTON CAMPUS	MEDFORD CAMPUS	TOTAL
2021	\$ 337,799	262,640	\$ 600,439
2020	292,923	338,947	631,870
2019	323,395	349,635	673,030
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
Total School Facilities	<u>\$ 3,765,398</u>	<u>3,852,269</u>	<u>\$ 7,617,667</u>

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

Source: District records

**BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY
INSURANCE SCHEDULE
JUNE 30, 2021**

		EXPOSURE	PREMIUM
Insurance Overview:			
PROPERTY:		147,688,607	137,395
ENVIRONMENTAL LIABILITY			
EXCLUDES UST:		1,000,000	INCLUDED
REAL & PERSONAL PROPERTY	PER OCCURRENCE	500,000,000	INCLUDED
BEAZLEY BREACH RESPONSE:		1,000,000	INCLUDED
CRISIS MANAGEMENT:		1,000,000	INCLUDED
EDP:	PER OCCURRENCE	1,300,000	3,849
EQUIPMENT BREAKDOWN:		100,000,000	10,676
CRIME:			
FAITHFUL PERFORMANCE:		100,000	348
MONEY & SECURITIES:		50,000	463
MONEY ORDERS/COUNTERFEIT:		50,000	463
FORGERY & ALTERATION:		50,000	162
COMPUTER FRAUD:		50,000	34
GENERAL LIABILITY:	PER OCCURANCE	16,000,000	47,877
AUTO LIABILITY:	PER ACCIDENT	16,000,000	55,683
AUTO PHYSICAL DAMAGE:	ACV BASIS		9,858
WORKERS COMPENSATION:	PROFESSIONAL:	18,610,797	334,592
	NON PROF:	2,054,328	
	EXPERIENCE MOD:	0.8664	
WC SUPPLEMENTAL INDEMNITY:	7 DAYS		9,277
SCHOOL LEADERS ERRORS & OMISSIONS:		16,000,000	82,645
	15,000 DEDUCTIBLE		
STUDENT ACCIDENT:	GOLD PLAN		26,650
INCLUDING DAY CARE:	YES		
STUDENT ACCIDENT CAT:	5,000,000		9,393

Source: District records

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

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SINGLE AUDIT SECTION



BRENT W. LEE & CO., LLC
Certified Public Accounting Firm

EXHIBIT K-1

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

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

I have audited, in accordance with 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 governmental activities, the business-type activities and each major fund and the aggregate remaining fund information of the Burlington County Institute of Technology (the "District"), in the County of Burlington, State of New Jersey as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise District's basic financial statements, and have issued my report thereon dated February 4, 2022.

Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less than a material weakness, yet important enough to merit attention by those charged with governance.

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

609-456-8804
3008 New Albany Rd., Cinnaminson, NJ 08077

Compliance and Other Matters

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

I also noted a certain immaterial instance of noncompliance that is not required to be reported under *Governmental Auditing Standards* and audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, that I reported to management in a separate Auditor's Management Report on Administrative Findings – Financial, Compliance and Performance dated February 4, 2022.

Burlington County Institute of Technology District's Response to Findings

The District's response to the findings identified in my audit is described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, I express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,



Brent W. Lee
Certified Public Accountant
Public School Accountant No. 700

Cinnaminson, New Jersey
February 4, 2022



BRENT W. LEE & CO., LLC
Certified Public Accounting Firm

EXHIBIT K-2

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

The 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

I have audited the Board of Education of the Burlington County Institute of Technology's (the "District") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and *New Jersey State Grant Compliance Supplement* that could have a direct and material effect on each of the District's major federal and state programs for the year ended June 30, 2021. The District's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

My responsibility is to express an opinion on compliance for each of District's major federal and state programs based on my audit of the types of compliance requirements referred to above. I conducted my audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); New Jersey OMB 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 and New Jersey OMB Circular 15-08 require that I plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal and state program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as I considered necessary in the circumstances.

609-456-8804
3008 New Albany Rd., Cinnaminson, NJ 08077

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

Opinion on Each Major State Program

In my opinion, the District 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, 2021.

Report on Internal Control over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing my audit of compliance I considered District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purposes of expressing my opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with the Uniform Guidance and New Jersey's OMB's Circular 5-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, I do not express an opinion on the effectiveness of the District's internal control over compliance.

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

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

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

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

I have audited the financial statements of the Burlington County Institute of Technology as of and for the year ended June 30, 2021, and have issued my report thereon dated February 4, 2022, which contained an unmodified opinion on those financial statements. My audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves,

and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the schedule of expenditure of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Brent W. Lee".

Brent W. Lee
Certified Public Accountant
Public School Accountant No. 700
Brent W. Lee & Co., LLC

Cinnaminson, New Jersey
February 4, 2022

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BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR FISCAL YEAR ENDED JUNE 30, 2021

FEDERAL GRANTOR/PASS THROUGH GRANTOR/PROGRAM TITLE OR CLUSTER	FEDERAL CFDA NUMBER	FEDERAL AWARD NUMBER	PASS THROUGH ENTITY IDENTIFYING NUMBER	PROGRAM OR AWARD AMOUNT	GRANT PERIOD	BALANCE AT JUNE 30, 2020	CASH RECEIVED	BUDGETARY EXPENDITURES	PASSED THROUGH SUBRECIPIENT	BALANCE JUNE 30, 2021 (ACCOUNTS "UNEARNED" REVENUE AT JUNE 30, 2021)
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES										
Passed Through New Jersey Department of Human Services:										
Special Medical Assistance Program (FFCRA/SEMI)	93.778	2005NJ5MAP	100-054-7540-211	\$ 2,231	1/1/20-12/31/20	-	2,231	(2,231)	-	-
Medical Assistance Program (SEMI)	93.778	2005NJ5MAP	100-054-7540-211	22,066	7/01/20-6/30/21	(6,898)	19,160	(22,066)	-	(2,906)
Medical Assistance Program (SEMI)	93.778	2005NJ5MAP	100-054-7540-211	27,660	7/01/19-6/30/20	-	6,898	-	-	-
Total U.S. Department of Health and Human Services						(6,898)	28,289	(24,297)	-	(2,906)
U.S. DEPARTMENT OF AGRICULTURE										
Passed Through New Jersey Department of Agriculture:										
Child Nutrition Cluster:										
COVID-19 School Breakfast Program	10.553	211NJ304N1099	100-010-3350-028	84,854	7/01/20-6/30/21	(7,656)	78,702	(84,854)	-	(6,152)
COVID-19 School Breakfast Program	10.553	201NJ304N1099	100-010-3350-028	17,138	7/01/19-6/30/20	-	7,656	-	-	-
COVID-19 National School Lunch Program	10.555	211NJ304N1099	100-010-3350-026	129,981	7/01/20-6/30/21	-	120,981	(129,265)	-	(8,284)
COVID-19 National School Lunch Program	10.555	201NJ304N1099	100-010-3350-026	26,720	7/01/19-6/30/20	(11,936)	11,936	-	-	-
COVID-19 Healthy Hunger-Free Kids Act	10.555	201NJ304N1099	100-010-3350-026	545	7/01/19-6/30/20	(244)	244	-	-	-
Food Distribution Program	10.555	211NJ304N1099	Unavailable	37,499	7/01/20-6/30/21	-	37,499	(24,752)	-	12,747
Food Distribution Program	10.555	201NJ304N1099	Unavailable	43,905	7/01/19-6/30/20	929	-	(929)	-	-
Total Child Nutrition Cluster						(11,251)	170,660	(154,946)	-	(8,284)
						(18,907)	257,018	(239,800)	-	(14,436)
Total U.S. Department of Agriculture						(18,907)	257,018	(239,800)	-	(14,436)
U.S. DEPARTMENT OF EDUCATION PASSED-THROUGH STATE DEPARTMENT OF EDUCATION										
Passed Through New Jersey Department of Education:										
I.D.E.A., Part B (Special Education Cluster)										
Basic	84.027	H027A200100	NCLB0610-21	515,834	7/01/20-9/30/21	-	515,834	(515,834)	-	-
Total Special Educational Cluster						-	515,834	(515,834)	-	-
E.S.E.A. Consolidated										
Title I - Part A	84.010	S010A200030	NCLB0610-21	521,000	7/01/20-9/30/21	-	432,167	(521,000)	-	(88,833)
Title I - Reallocated	84.010A	S010A200030	NCLB0610-21	55,085	7/01/20-9/30/21	-	55,085	(55,085)	-	-
Title II - Part A	84.367A	S367A200029	NCLB0610-21	63,148	7/01/20-9/30/21	-	63,148	(63,148)	-	-
Title IV	84.424	S424A200031	NCLB0610-21	32,431	7/01/20-9/30/21	-	32,431	(32,431)	-	-
E.S.S.E.R. Cares Emergency Relief	84.425D	SA25D200027	N/A	434,881	3/13/20-9/30/22	-	434,881	(434,881)	-	-
Carl D. Perkins Vocational & Applied Technology Education Act Secondary	84.04A	V048A200030	100-034-5062-100	347,618	7/01/20-6/30/21	-	126,437	(347,618)	-	(221,181)
Carl D. Perkins Vocational & Applied Technology Education Act Secondary	84.04A	V048A190030	100-034-5062-100	368,814	7/01/19-6/30/20	(22,154)	22,154	-	-	-
Coronavirus Aid Relief	21.019	N/A	CARES113022	168,565	7/01/20-6/30/21	-	168,565	(168,565)	-	-
Pell Grant	84.063	N/A	N/A	3,395	7/01/20-6/30/21	-	3,395	(3,395)	-	-
Total U.S. Department of Education						(22,154)	1,854,097	(2,141,957)	-	(310,014)
U.S. DEPARTMENT OF LABOR										
Passed Through New Jersey Department of Labor:										
Vocational Rehabilitation Act 1973	84.126	N/A	100-062-4535-100	9,649	7/1/20-6/30/21	-	9,649	(9,649)	-	-
Total U.S. Department of Labor						-	9,649	(9,649)	-	-
Total Federal Financial Assistance						\$ (47,959)	2,149,053	(2,415,703)	-	(327,356)
N/A - Not Available										

**BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR FISCAL YEAR ENDED JUNE 30, 2021**

STATE GRANTOR/PROGRAM TITLE OR CLUSTER	GRANT OR STATE PROJECT NUMBER	AWARD AMOUNT	GRANT PERIOD	BALANCE JUNE 30, 2020	CASH RECEIVED	BUDGETARY EXPENDITURES	ADJUSTMENTS	(ACCOUNTS RECEIVABLE)	MEMO CUMULATIVE TOTAL
								AT JUNE 30, 2021	
State Department of Education:									
General Fund:									
State Aid Public:									
	21-495-034-5120-078	13,273,078	7/01/20-6/30/21	\$ -	11,969,372	(13,273,078)			\$ 13,273,078
	21-495-034-5120-089	1,307,161	7/01/20-6/30/21		1,176,445	(1,307,161)			1,307,161
	21-495-034-5120-084	244,568	7/01/20-6/30/21		220,111	(244,568)			244,568
	Total State Aid Public			-	13,365,928	(14,824,807)	-	-	14,824,807
	Reimbursed TPAF Social Security Contributions (Nonbudgeted)	1,040,338	7/01/20-6/30/21		988,844	(1,040,338)	(51,494)		1,040,338
	Reimbursed TPAF Social Security Contributions (Nonbudgeted)	1,003,830	7/01/19-6/30/20	(47,340)	47,340				-
				(47,340)	1,036,184	(1,040,338)	(51,494)		1,040,338
	On-Behalf TPAF Post-Retirement Medical (Noncash Assistance)	1,097,090	7/01/20-6/30/21		1,097,090	(1,097,090)			1,097,090
	On-Behalf TPAF Pension Contributions (Noncash)	3,500,780	7/01/20-6/30/21		3,500,780	(3,500,780)			3,500,780
	On-Behalf TPAF Long-Term Disability Insurance Contributions (Noncash)	2,141	7/01/20-6/30/21		2,141	(2,141)			2,141
	Total General Fund			-	4,600,011	(4,600,011)	-	-	4,600,011
				(47,340)	19,002,123	(20,465,156)	(51,494)		20,465,156
Special Revenue Fund:									
	Carl D. Perkins Vocational & Applied Technology Education Act - Post Secondary Apprentice Coordinator	109,603	7/01/20-6/30/21		91,343	(109,603)		(18,260)	109,603
		15,900	7/01/19-6/30/20	(7,193)	7,193				-
	Total Special Revenue Fund			(7,193)	98,536	(109,603)		(18,260)	109,603
New Jersey Department of Agriculture:									
Enterprise Funds:									
	National School Lunch Program (State Share)	4,731	7/01/20-6/30/21		4,186	(4,731)		(545)	4,731
	National School Lunch Program (State Share)	8,387	7/01/19-6/30/20	(2,273)	2,273				-
	Total Enterprise Fund			(2,273)	6,459	(4,731)		(545)	4,731
	Total State Financial Assistance			\$ (56,806)	19,107,118	(20,579,490)	-	(70,299)	\$ 20,579,490
State Financial Assistance Programs not subject to Calculation for major Program Determination:									
	On-Behalf TPAF Post-Retirement Medical (Noncash Assistance)	1,097,090	7/01/20-6/30/21			1,097,090			1,097,090
	On-Behalf TPAF Pension Contributions (Noncash)	3,500,780	7/01/20-6/30/21			3,500,780			3,500,780
	On-Behalf TPAF Long-Term Disability Insurance Contributions (Noncash)	2,141	7/01/20-6/30/21			2,141			2,141
	Total State Financial Assistance subject to Calculation for Major Program Determination					\$ (15,979,479)			

The Notes to the 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, 2021

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, 2021. 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, 2021.

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, 2021**

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 (\$9,428) for the general 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	\$ 24,297	20,455,728	\$20,480,025
Special Revenue Fund	2,138,562	109,603	2,248,165
Adult Education Fund	13,044		13,044
Food Service Fund	<u>251,618</u>	<u>4,731</u>	<u>256,349</u>
Total Awards & Financial Assistance	<u>\$ 2,427,521</u>	<u>20,570,062</u>	<u>\$22,997,583</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, 2021.

**BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY SCHEDULE
OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**Section I - Summary of Auditor's
Results**

Financial Statements

Type of auditor's report issued Unmodified

Internal control over financial reporting:

- 1) Material weakness(es) identified? yes X no
- 2) Significant deficiency(ies) identified? yes X none reported

Noncompliance material to financial statements noted? yes X no

Federal Awards

Internal control over major programs:

- 1) Material weakness(es) identified? yes X no
- 2) Significant deficiency(ies) identified? yes X none reported

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

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200 section .516(a)? yes X no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>FAIN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
<u>84.010</u>	<u>S010A200030</u>	<u>Title I Part A</u>
<u> </u>	<u> </u>	<u> </u>
<u> </u>	<u> </u>	<u> </u>
<u> </u>	<u> </u>	<u> </u>

Dollar threshold used to determine Type A and type B programs: \$750,000

Auditee qualified as low-risk auditee? X yes no

**BURLINGTON COUNTY INSTITUTE OF TECHNOLOGY
SCHEDULE OF FINDINGS & QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Section II – Financial Statement Findings – N/A

This section identifies the significant deficiencies, material weaknesses, fraud, noncompliance with provisions of laws, regulations, contracts, and grant agreements, and abuse related to the financial statements for which *Government Auditing Standards* requires reporting and with audit requirements prescribed by the Division of Administration and Finance, Department of Education, State of New Jersey.

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

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

FEDERAL AWARDS

N/A

STATE FINANCIAL ASSISTANCE

N/A

**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, 2021**

This section identifies the status of prior year findings related to the basic financial statements and federal and state awards that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*, USOMB *Uniform Administrative Requirements, Cost Principals, and Audit Requirements for Federal Awards* and New Jersey OMB's Circular 15-08, as applicable.

Status of Prior Year Findings:

N/A

Federal Awards:

N/A

State Financial Assistance:

N/A