

# Livingston Board of Education

Township of Livingston  
Board of Education  
County of Essex  
New Jersey

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

# **Livingston Board of Education**

## **Livingston Township, New Jersey**

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

Prepared by Livingston Township School District  
Business Office  
Mr. Steven K. Robinson  
Business Administrator, Board Secretary  
Ms. Patricia Ramos  
Assistant Business Administrator

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## Introductory Section



**LIVINGSTON BOARD OF EDUCATION**  
**11 Foxcroft Drive**  
**Livingston, New Jersey 07039**

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**Fax** 973-535-1254  
**E-mail** srobinson@livingston.org

Steven K. Robinson  
**Business Administrator/Board Secretary**

December 2, 2016

Honorable President and Members  
of the Board of Education  
Livingston Township School District  
County of Essex  
Livingston, New Jersey

Dear Board Members and Constituents:

The comprehensive annual financial report of the Livingston Board of Education (the "District") as of and for the year ended June 30, 2016, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the administration of the Board of Education (the "Board"). 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 the financial position of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information at June 30, 2016 and the respective changes in financial position and, where applicable, cash flows thereof, of the District for the year then ended. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The introductory section includes this transmittal letter (designed to complement Management's Discussion and Analysis and should be read in conjunction with it), the District's organizational chart, roster of officials and independent auditor and advisors. The financial section includes management's discussion and analysis (immediately following the independent auditors' report), basic financial statements, required supplementary information and supplementary information, as well as the auditors' report thereon. The statistical section, which includes selected financial, demographic and operating information, is unaudited and generally presented on a multi-year basis. The 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 of Federal Awards (Uniform Guidance)* and the New Jersey OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments*. Information related to this single audit, including the auditor's reports on internal control and compliance with applicable laws and regulations are included in the single audit section of this report.

## **1. Reporting Entity and Its Services**

The Livingston Board of Education is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board (GASB). All funds and the government-wide financial statements of the District are included in this report. The Livingston Board of Education and all its schools constitute the District's reporting entity. The District provides a full range of educational services appropriate to grade levels K through 12 as well as a Pre-K program for students with disabilities. These services are provided for regular, vocational and special education youngsters. The District completed the 2015-2016 fiscal year with an average daily enrollment of 5,926 students, which is an increase of 46 students from the previous year's average daily enrollment. The following details the changes in the average daily enrollment of the District over the last five years:

### **Average Daily Enrollment**

<b>Fiscal Year</b>	<b>Student Enrollment</b>	<b>Percent Change</b>
2015-16	5,926	0.78%
2014-15	5,880	0.15
2013-14	5,871	1.19
2012-13	5,802	1.22
2011-12	5,732	- 0.14

## **2. Economic Condition and Outlook**

The Township of Livingston was incorporated in 1813 and is located in west-central Essex County. Livingston operates under the Council-Manager form of government, with the Township Manager as the Chief Executive Officer. The Mayor is elected from among the five members of the Township Council. All legislative power of the Township is exercised by the Township Council.

The Township has felt the effects of the recession. Some businesses that were thriving are struggling while others have closed their doors. Even with the recession, Livingston continues to be a place that attracts home buyers as reflected by increases in the latest census and student enrollment records.

A comprehensive cyclical process of program assessment, development and implementation provides for ongoing program improvement. Every instructional program and support service undergoes an intensive review and identified needs are addressed in terms of curriculum and resources. Assessment results, improvement plans and curriculum changes are approved by the Board and disseminated to administrators, staff, parents and the community, thereby fostering a shared vision and commitment to growth and improvement.

Programmatic and instructional changes reflect the revised New Jersey Student Learning Standards in English and Math, the New Jersey Core Curriculum Content Standards (NJCCCS) in Social Studies, Visual/Performing Arts and Health/Physical Education, and the Next Generation Science Standards. We continue to implement the *Understanding by Design (UbD)* framework as the model for our curriculum writing. This approach to curriculum is designed to engage students in the process of inquiry, promote transfer of learning, and provide a conceptual framework for helping students make sense of discrete facts and skills while uncovering the "big ideas" of content.

Our professional development supports the implementation of our standards-based curriculum with initiatives including: how students learn, instructional methodologies, differentiated instruction, and assessment. Significant staff development has been presented through in-service workshops, school-based or department meetings and study groups. District and building administrators and program supervisors support teachers in the implementation of these curricula and monitor instructional effectiveness. Staff development for the integration of technology is a major focus because of the increased use of computers at every level in the district. LPS uses Charlotte Danielson's teacher observation and evaluation model which is based on the following domains: planning, instructional methods and strategies, classroom management and professional responsibilities.

A Summer School Academy for remediation and enrichment was introduced in the summer of 2016. The enrichment included Bridge programs to support students taking honors and advanced placement courses. The focus was grades 6 through 12.

Several large-scale initiatives are currently under way to support standards based curriculum and the integration of technology:

a) Math:

To support the math curriculum, a new textbook was purchased for grade 2 this year. Technology is integrated into this instructional approach. Our elementary math supervisor trained teachers in grades 2 through 5 in the use of the SmartBoard, the on-line component of the math series and the additional support needed for identified students to augment their instruction. On the middle school level, the Basic Skills Instruction is an on-line program to target individual student needs.

b) Technology:

LPS continues to strengthen its use of technology at every level. In the elementary schools, additional carts of Chromebooks were purchased for instructional use. In our 6<sup>th</sup> grade, nine carts of Surface 3s were purchased. Students in grade 7 through 12 are part of a 1:1 computer initiative. All teachers K-12 received a Surface 4 to support their integration of technology in every subject area. To support these initiatives we have hired four technology coaches and expanded professional development for teachers across the district.

c) Science:

The implementation of the Next Generation Science Standards has led us to revise our science curricula and instructional practices to include more inquiry-based learning, experimentation, and the integration of technology and engineering. New STEM/STEAM initiatives in grades K through 6 have been integrated into all curriculums. Grades 6 through 8 implemented a more hands-on, on-line pilot program in science this year. AP CAPSTONE was introduced through the science research programs at the high school.

d) English Language Arts (ELA):

We maintain our focus on teaching English Language Arts through a balanced literacy approach. A scope and sequence for each area of ELA was developed to ensure that all aspects of ELA receive the appropriate emphasis. Curricula in grades K through 6 were revised to meet the New Jersey Student Learning Standards in English, and resources were purchased to support the new programs.

## **Student Services**

The Livingston School District enjoys a reputation of quality across the state, one that is grounded in clear goals, consistent advocacy, diverse services, and multi-dimensional circles of support. Within our department, we are fortunate to have the leadership of an Assistant Superintendent, an Elementary Supervisor of Special Education, a Secondary Supervisor of Special Education, a Director of Guidance, and a Transition Coordinator to lead the staff to meet the expectations set forth. The services and supports available are as follows:

- 1- Pre-School Programming – Full Day and Half Day Self-Contained Classrooms; Integrated Classrooms
- 2- Applied Behavior Analysis Classes from Pre-K-Elementary
- 3- Life Skills-Multiply Disabled Classes K-Age 21
- 4- Career Internship Program
- 5- Community-Based Instruction
- 6- Speech and Language Services
- 7- Augmentative and Assistive Communication Expertise
- 8- Occupational Therapy Services
- 9- Physical Therapy Services
- 10- School Counseling Services
- 11- Teacher of the Deaf Services
- 12- Transportation Services
- 13- Clinical Counseling Services K-12
- 14- In-Class Support – Co-Teaching
- 15- Supplementary Aides and Services including specialized equipment
- 16- Resource Center Programs K-12
- 17- Child Study Team Services
- 18- BCBA and Behavior Specialist Support
- 19- School Counseling Program K-12
- 20- Nursing Services within each school building
- 21- Assistive Technology

The Department of Student Services continues to work closely with the general education departments to ensure programs towards the goals and expectations, annually while promoting education in the least restrictive environment. Highlighted components of our program are:

- An exemplary pre-school program which includes an integrated model and a pre-school disabled program with full and half-day opportunities that relies upon a scientifically research based curriculum.
- An Extended School Year program for special education students with a full complement of services.
- Expert related services component, complete with OTRs, Speech/Language Specialists, Physical Therapists, Behaviorists and Clinical Counseling professionals.

- A 21<sup>st</sup> Century Career Readiness Program that addresses each of the areas of transition to post-secondary life and is supported by realistic job, community, and academic experiences including job sampling, job coaching, and supported employment.
- A full complement of Community Based Instruction.
- Expert Child Study Team services embedded within each building.
- Comprehensive and Developmental K-12 School Counseling Program.
- A continuum of clinical counseling services available to at-risk students with emotional, school refusal, and behavioral challenges is available K-12.
- School nursing services within each school wherein school nurses are specially trained to meet the needs of all populations of students.

### **Staff Development**

LPS continues to support teachers through a variety of staff development opportunities. Administrators and content supervisors provide professional development during specific PD days, in-service training, and faculty meetings. A priority in professional development this past year continues to be in the implementation of technology as an instructional tool. Summer District administration continues to use a variety of data collection sources to identify student and staff needs. All new staff are required to attend a three day new teacher orientation as well as one day of training in Robert Marzano's instructional framework, using *The Art and Science of Teaching*.

### **3. Internal Control**

Management of the District is responsible for establishing and maintaining internal control designed to ensure that the assets of the District are protected from loss, theft or misuse, and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental entities. Internal control is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

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

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

#### **4. Budgetary Controls**

In addition to internal control, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the general fund, the special revenue fund and the debt service fund. 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 required supplementary information-Part III section of this report.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as assigned fund balance at June 30, 2016.

#### **5. Accounting System and Reports**

The District's financial statements are presented in conformity with accounting principles generally accepted in the United States of America, as promulgated by the GASB. The accounting system of the District is organized on the basis of funds. These funds are explained in "Notes to the Basic Financial Statements," Note 1.

#### **6. Cash Management**

The investment policy of the District is guided in large part by State statute as detailed in "Notes to the Basic Financial Statements," Note 3. The District utilizes a cash management plan, which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

#### **7. Risk Management**

The Board carries various forms of insurance, including but not limited to hazard and theft insurance on property and contents, general liability, umbrella liability, automobile liability, boiler and machinery, errors and omissions, crime insurance, Board Secretary bond, Treasurer of School Monies bond, volunteer accident, medical, dental, workers' compensation and media liability.

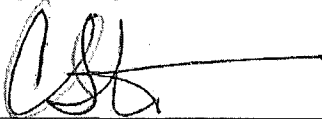
#### **8. Other Information**

*Independent Audit:* State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Wiss & Company, LLP was selected by the Board. In addition to meeting the requirements set forth in State statutes, the audit also was designed to meet the requirements of the The Uniform Guidance and New Jersey OMB Circular 15-08. The auditors' report on the basic financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditors' reports related specifically to the single audit are included in the single audit section of this report.

**9. Acknowledgments**

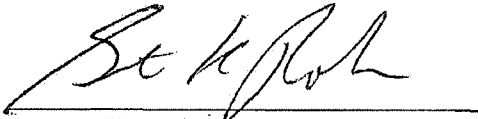
We would like to express our appreciation to the members of the Livingston School Board for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial operation.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

Respectfully submitted,



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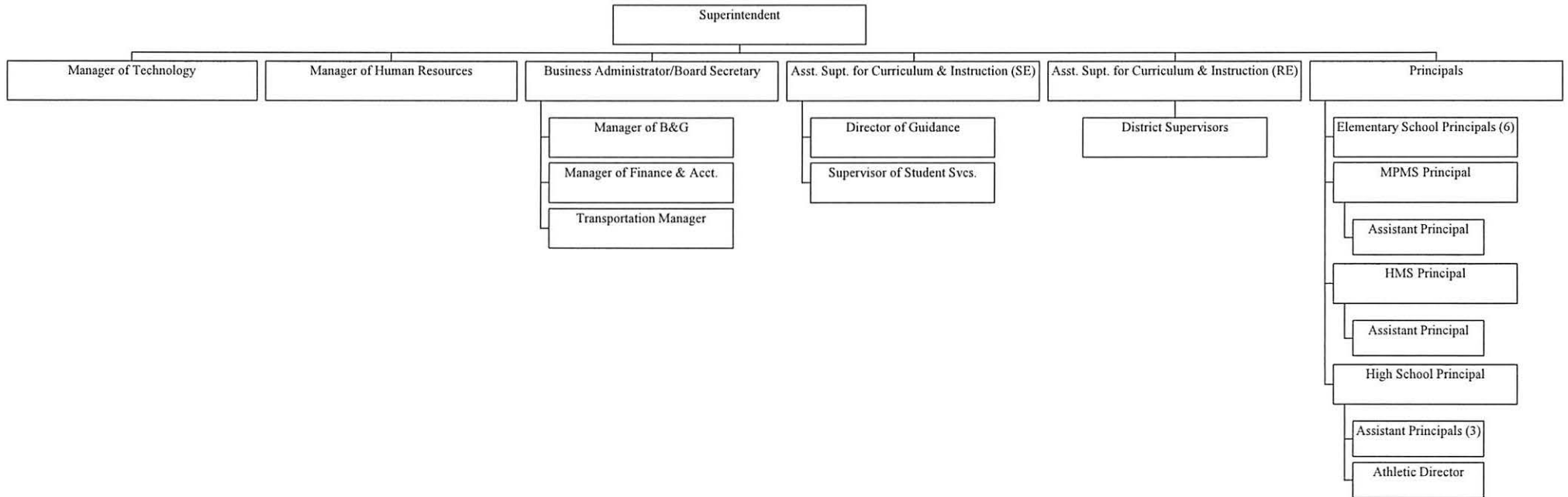
Mrs. Christina Steffner  
Superintendent



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Steven K. Robinson  
Business Administrator/Board Secretary

Livingston Board of Education  
Organizational Chart  
June 30, 2016





# Livingston Board of Education

## Roster of Officials

June 30, 2016

<b><u>Members of the Board of Education</u></b>	<b><u>Term Expires</u></b>
Mr. Ronnie Spring, President	2016
Mr. Arthur Altman, Vice-President	2016
Mr. Charles August	2017
Mrs. Pamela Chirls	2018
Mrs. Ronnie Ferber Konner	2018

### **Other Officials**

Mrs. Christina Steffner, Superintendent of Schools  
Mr. Steven K. Robinson, School Business Administrator/Board Secretary  
Mrs. Patricia Boland, Assistant Superintendent of Curriculum and Instruction  
Mrs. Lisa Capone-Steiger, Assistant Superintendent of Student Services and Instruction  
Mrs. Patricia Ramos, Assistant Business Administrator

Livingston Board of Education

Independent Auditor and Advisors

**Architect**

DiCara Rubino Architects  
30 Galesi Drive  
Wayne, New Jersey 07470

**Independent Auditor**

Wiss & Company, LLP  
354 Eisenhower Parkway  
Livingston, New Jersey 07039

**Attorney**

Lindabury, McCormick, Estabrook & Cooper  
53 Cardinal Drive  
Westfield, New Jersey 07091

**Official Depositories**

Investors Savings Bank  
493 South Livingston Avenue  
Livingston, New Jersey 07039

New Jersey Cash Management Fund  
Division of Investments  
Department of the Treasury  
CN 290  
Trenton, New Jersey 08625

TD Bank  
185 South Livingston Avenue  
Livingston, New Jersey 07039

## Financial Section

## Independent Auditors' Report

Honorable President and Members  
of the Board of Education  
Livingston Board of Education  
Livingston, New Jersey  
County of Essex

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Livingston Board of Education, County of Essex, New Jersey (the "District"), as of and for the year ended June 30, 2016, 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.

### ***Auditors' Responsibility***

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

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

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the District as of June 30, 2016, and the respective changes in financial position, and, where applicable, cash flows, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### ***Required Supplementary Information***

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

#### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the 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 and are not a required part of the basic financial statements. The schedules of expenditures of federal awards and state financial assistance are presented for purposes of additional analysis, as required by Title 2 U.S. *Code of Federal*

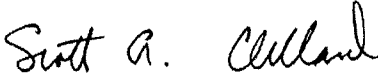
*Regulations (CFR) Part 200 Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance) and New Jersey OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, respectively, and are also not a required part of the basic financial statements.*

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 2, 2016 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

  
Scott A. Clelland  
Licensed Public School Accountant  
No. 1049

  
WISS & COMPANY, LLP

December 2, 2016  
Livingston, New Jersey

## Required Supplementary Information - Part I

### Management's Discussion and Analysis

Livingston Board of Education  
Livingston, New Jersey

Management's Discussion and Analysis (Unaudited)  
Year ended June 30, 2016

This management discussion and analysis of the Livingston Board of Education's (the "District") financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2016. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the basic financial statements, notes and additional information in the transmittal letter to enhance their understanding of the District's financial performance.

The Management's Discussion and Analysis (MD&A) is an element of Required Supplementary Information and required by the Governmental Accounting Standards Board. Certain comparative information between the current year and the prior year is required to be presented in the MD&A.

### **Financial Highlights**

Key financial highlights for fiscal 2016 are as follows:

- Total net position is \$36,016,598. It is comprised of both current and capital assets and deferred outflows of resources less current and outstanding long-term liabilities and deferred inflows of resources (Schedule A-1).
- General revenues accounted for \$134,813,829 of revenue or 97 percent of all revenues. Program specific revenues in the form of charges for services, grants, aid and contributions accounted for \$4,643,062 or 3 percent of total revenues of \$139,456,891 (Schedule A-2).
- The District had \$127,084,124 in governmental funds expenditures (Schedule B-2). Of that amount, the General Fund expenditures totaled \$112,891,651 including \$11,507,978 in State on-behalf TPAF pension and social security contributions. Grant-related expenditures totaled \$2,785,292 in the special revenue fund. Business-type activities expenses were \$1,731,199 (Schedule B-5).

### **Using this Comprehensive Annual Financial Report (CAFR)**

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand Livingston Board of Education as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities. The three components that comprise the District's basic financial statements are: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. The CAFR also contains required, supplementary and other information in addition to the basic financial statements themselves.



## **Reporting the School District as a Whole**

### Government-wide Statements

The Statement of Net Position and Statement of Activities provide information about the activities of the entire District, and are designed to provide readers with a broad overview of the District's finances, in a manner similar to private-sector business. These government-wide statements found at A-1 and A-2 are not intended to drive budgetary decisions of the Board of Education. Instead, the fund statements found at B-1 through B-8 as well as the supplementary budgetary comparison at C-1 should be utilized, as in the past, for the decision making of the Board of Education. The fund financial statements are explained later in this MD&A.

These statements include all assets, deferred outflows of resources, liabilities and deferred inflows of resources using the accrual basis of accounting similar to the accounting used by most private-sector businesses. This basis of accounting takes into consideration all of the current year's revenues and expenses regardless of when cash is received or paid.

In the Statement of Net Position and Statement of Activities, the District is divided into two distinct kinds of activities:

- Governmental activities – All of the District's programs and services are reported here including instruction, support services, operation and maintenance of facilities, pupil transportation, and extracurricular activities.

Business-type activities – Programs reported here are used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the District is that the costs of providing goods and services be financed through user charges. The Food Service Enterprise Fund is reported as a business-type activity.

The government-wide financial statements are Schedules A-1 and A-2.

## **Reporting the School District's Funds**

### **Fund Financial Statements**

Fund financial reports provide detailed information about the District's funds. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into three categories: governmental funds, proprietary fund and fiduciary funds. The fund financial statements are utilized for District financial decision making.

## **Governmental Funds**

The District's main activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in the future years. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's general government operations and the basic services it provides. Governmental fund information helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

The District maintains four individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balance for the general fund, special revenue fund, capital projects fund and debt service fund, all of which are considered to be major funds. The District adopts an annual appropriated budget for its general fund, special revenue fund and debt service fund. Budgetary comparison statements have been provided as required supplementary information for the general fund and special revenue fund and as supplementary information for the debt service fund to demonstrate compliance with this budget. The basic governmental fund financial statements are Schedules B-1, B-2 and B-3.

## **Enterprise Fund**

Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The District uses an enterprise fund to account for its operations of its food service program. The basic enterprise fund financial statements are Schedules B-4, B-5 and B-6.

## **Fiduciary Funds**

Fiduciary funds are used to account for resources held for the benefit of parties outside the governmental entity. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the District's own programs. The District uses a trust fund to account for its unemployment compensation fund. The District uses agency funds to account for resources held for student activities and groups, and payroll related liabilities. The basic fiduciary fund financial statements are Schedules B-7 and B-8.

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

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 34 to 73 of this report.

## The School District as a Whole

The Statement of Net Position provides the perspective of the District as a whole. Net position may serve over time as a useful indicator of a government's financial position. However, as noted earlier, net position is not the primary basis for the decision making for each budget cycle. The District's financial position is the product of several financial transactions including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets, and the depreciation of capital assets.

The following table provides a summary of the net position relating to the District's governmental and business-type activities over the past two years.

	2016			2015		
	Governmental Activities	Business- type Activities	Total	Governmental Activities	Business- type Activities	Total
<b>Assets:</b>						
Current and other assets	\$ 22,634,419	\$ 357,578	\$ 22,991,997	\$ 20,533,538	\$ 340,124	\$ 20,873,662
Capital assets, net	154,632,243		154,632,243	154,224,292		154,224,292
Total assets	177,266,662	357,578	177,624,240	174,757,830	340,124	175,097,954
Deferred outflows of resources	8,341,246		8,341,246	2,320,714		2,320,714
<b>Liabilities:</b>						
Current liabilities	14,359,049	232,881	14,591,930	20,678,235	176,515	20,854,750
Long-term liabilities	134,056,168		134,056,168	119,567,297		119,567,297
Total liabilities	148,415,217	232,881	148,648,098	140,245,532	176,515	140,422,047
Deferred inflow of resources	1,300,790		1,330,790	2,442,691		2,442,691
<b>Net position:</b>						
Net investment in capital assets	59,527,328		59,527,328	58,372,950		58,372,950
Restricted	5,540,059		5,540,059	6,028,772		6,028,772
Unrestricted (deficit)	(29,175,486)	124,697	(29,050,789)	(30,011,401)	163,609	(29,847,792)
Total net position	\$ 35,891,901	\$ 124,697	\$ 36,016,598	\$ 34,390,321	\$ 163,609	\$ 34,553,930

The largest portion of the District's net position is its net investment in capital assets, e.g. land, construction in progress, buildings and improvements, and furniture and equipment, net of accumulated depreciation less any related debt (general obligation bonds payable and related unamortized premium and deferred interest costs on the refunding of bonds and obligations under capital leases) used to acquire those assets that are still outstanding.

The District uses these capital assets to provide services to students; consequently, these assets are not available for future spending. Although the District's net investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The District's capital assets increased in the current fiscal year due to current year capital asset additions exceeding depreciation expense. Current and other assets increased mainly due to the increase in cash and cash equivalents due to current year fiscal results.

Current liabilities decreased due to the grant anticipation notes issued for \$5,000,000 recorded in the capital projects fund to fund cash flow needs of the District for its ongoing referendum project being less than the notes paid in the current fiscal year for \$12,300,000.

Long-term liabilities increased mainly due to the bond issuances in the current fiscal year at a premium of \$8,886,902 and the two capital leases entered into for \$1,000,000 and \$2,800,000.

Net investment in capital assets increased by approximately \$1.1 million, as a result of a decrease in bonds, an increase in unamortized deferred interest costs, an increase in capital lease obligations and an increase in unamortized bond premiums. A portion of the District's net position represents a balance of restricted net position. This balance reflects the net position in the capital projects fund and other restricted accounts in the general fund, including capital reserve, emergency reserve and excess fund balance designated for subsequent years expenditures. The decrease primarily resulted from a decrease in the District's capital reserve.

The following table presents changes in net position for the fiscal years ended June 30, 2016 and 2015.

**Table 2**  
**Changes in Net Position**  
**Year ended June 30,**

	2016			2015		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
<b>Revenues:</b>						
Program revenues:						
Charges for services	\$ 542,491	\$ 1,691,124	\$ 2,233,615	\$ 450,323	\$ 1,333,216	\$ 1,783,539
Operating grants and contributions	2,287,885		2,287,885	2,331,758		2,331,758
Capital grants and contributions	121,562		121,562	123,888		123,888
Total program revenues	2,951,938	1,691,124	4,643,062	2,905,969	1,333,216	4,239,185
General revenues:						
Property taxes	104,029,438		104,029,438	100,856,708		100,856,708
Federal aid not restricted to specific purposes	31,755		31,755	10,648		10,648
State aid not restricted to specific purposes	29,897,757		29,897,757	20,257,974		20,257,974
Investment earnings	88,831	1,163	89,994	23,943	768	24,711
Rental income	564,534		564,534	586,959		586,959
Miscellaneous	200,351		200,351	265,788		265,790
Total general revenues	134,812,666	1,163	134,813,829	122,002,020	768	122,002,788
<b>Expenses:</b>						
Instructional services	87,448,186		87,448,186	77,101,975		77,101,975
Support services	44,344,095	1,731,199	46,075,294	41,874,252	1,326,939	43,201,191
Charter Schools	30,910		30,910	35,575		35,575
Interest on long-term debt	4,439,833		4,439,833	3,540,119		3,540,119
Total expenses	136,263,024	1,731,199	137,994,223	122,551,921	1,326,939	123,878,860
Change in net position	1,501,580	(38,912)	1,462,668	2,356,068	7,045	2,363,113
Net position – beginning	34,390,321	163,609	34,553,930	57,368,126	156,564	57,524,690
Net position – ending	\$ 35,891,901	\$ 124,697	\$ 36,016,598	\$ 34,390,321	\$ 163,609	\$ 34,553,930

Property taxes made up 75.5% of revenues for governmental activities for the Livingston Board of Education for fiscal year 2016. Federal and state grants and unrestricted aid accounted for another 21.7% of revenue.

The total cost of all programs and services was \$137,994,223. Instruction comprised 63.4% of District expenses. Instructional expenses include activities directly dealing with the teaching of pupils and the interaction between teacher and student, including extracurricular activities.

Property taxes increased within allowable caps as permitted by New Jersey regulations.

Capital grants and contributions increased due to the recognition of more state revenue related to the New Jersey Schools Development Authority funding expended during the 2016 fiscal year as more funds were expended than in the prior year as new projects were commenced. State aid increased mainly due to the State providing additional funding for the on behalf TPAF pension and post retirement than had been contributed in the prior year.

Business-type program expenses increased from the prior year, but was in-line with the increase in revenues.

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services.

## **Financial Analysis of the District's Funds**

### **Governmental Funds (Schedules B-1 and B-2)**

Governmental funds are accounted for using the modified accrual basis of accounting. The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of resources. Such information is essential in assessing the District's financing requirements.

*General Fund.* The general fund is the main operating fund of the District. At the end of the current fiscal year, restricted fund balances were \$5,018,625, assigned fund balances were \$524,747 and the unassigned fund balance was \$2,501,855 while the total fund balance was \$8,045,227 (B-1). For the year ended June 30, 2016, the District generated excess surplus in the amount of \$897,076.

*Special Revenue Fund.* The special revenue fund is used to track the proceeds of specific revenue sources that are restricted or committed to expenditures for specific purposes, other than debt service or capital projects. Revenue for the current fiscal year decreased by \$43,873 while expenditures increased by \$453,534 mainly due to the increase in capital outlay as a result of a capital lease entered into by the District. IDEA continues to be the largest grant in the special revenue fund, with expenditures in the current fiscal year of \$1,367,401.

*Capital Projects Fund.* The capital projects fund is used to account for and report financial resources that are restricted, committed, or assigned to an expenditure for capital outlays, including the acquisition or construction of major capital facilities and other assets (other than those financed by proprietary funds). There were expenditures of \$3,520,105 in the current fiscal year compared to expenditures of \$11,679,425 in the prior year. Current year expenditures relate to those incurred through capital outlay funds, serial bonds issued and grants received from the New Jersey Schools Development Authority. Total fund balance was \$6,436,140 as of June 30, 2016.

*Debt Service Fund.* The debt service fund accounts for resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds. During the 2016 fiscal year, the District issued refunding bonds to refund portions of the District's outstanding debt. The fund balance in the debt service fund is \$234,706, which is attributable to funds generated as a result of the refunding.

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management.

The following schedules present a summary of the revenues of the General Fund, Special Revenue Fund and Debt Service Fund for the fiscal year ended June 30, 2016, and the amount and percentage of increases and (decreases) in relation to prior year revenues.

<b>Revenues</b>	<b>Amount</b>	<b>Percent of Total</b>	<b>Increase (Decrease) from 2015</b>	<b>Percent of Increase (Decrease)</b>
Local sources	\$ 105,496,925	85.3%	\$ 3,264,293	3.2%
State sources	16,524,460	13.4	1,632,261	11.0
Federal sources	1,644,134	1.3	(19,492)	(1.2)
<b>Total</b>	<b>\$123,665,519</b>	<b>100.0%</b>	<b>\$ 4,877,062</b>	<b>4.1%</b>

The increase in local revenue was due to mainly to an increase in the tax levy to fund the costs to provide a thorough and efficient education to the District students.

The increase in state sources is mainly due to an increase of the on behalf TPAF Pension contribution made by the State of New Jersey on behalf of the District.

The decrease in federal sources is mainly attributable to decreases in the special revenue activity.

The following schedule represents a summary of general fund, special revenue fund and debt service fund expenditures for the year ended June 30, 2016, and the percentage of increases and (decreases) in relation to prior year expenditures.

<b>Expenditures</b>	<b>Amount</b>	<b>Percent of Total</b>	<b>Increase (Decrease) from 2015</b>	<b>Percent of Increase (Decrease)</b>
Current expense:				
Instruction	\$57,070,883	46.2%	\$2,488,771	4.6%
Support services	56,374,312	45.6	2,892,565	5.4
Capital outlay	2,200,838	1.8	(516,025)	(19.0)
Charter schools	30,910	0.0	(4,665)	(13.1)
Costs of issuance	423,848	0.3	423,848	100.0
Debt service	7,463,228	6.0	(226,349)	(2.9)
<b>Total</b>	<b>\$123,564,019</b>	<b>100.0%</b>	<b>\$5,058,145</b>	<b>4.3%</b>

The increase in instruction expenditures is mainly due to an increase in regular programs, resource room/center and autism due to an increased need in such services.

The increase in support services is mainly the result of increases in on-behalf TPAF pension contributions by the State of New Jersey and health benefits.

The decrease in capital outlay represents funds budgeted from the capital reserve that are presented in the other financing sources in the accompanying financial statements.

### **General Fund Budgetary Highlights**

The District's budget is prepared according to New Jersey law, and is based on accounting for certain transactions on a basis of revenues and expenditures. The most significant budgeted fund is the General Fund.

Over the course of the year, the District revised the annual operating budget through transfers approved by the Board.

Significant budgetary transfers were made between budgetary line items and approved by the Board for various reasons including:

- Special education – an increase of \$562,038 was mainly due to an increase in the number of teaching staff for in district special education programs and instructional aides.
- Capital outlay – an increase of \$972,799 was mainly due to construction services projects that were approved for the current fiscal year.
- Unallocated benefits – health benefits – a decrease of \$876,892 was mainly attributable to the increase of premiums being unknown at time of budget adoption and the actual premium increase was less than anticipated.

### **Capital Assets**

At the end of fiscal year 2016, the District had \$154,632,243 invested in land, land improvements, construction in progress, building and building improvements, machinery, equipment and vehicles, net of accumulated depreciation.

The following presents a comparison for 2016 and 2015:

Capital Assets (Net of Depreciation)

	<b>Year Ended June 30,</b>	
	<b>Governmental Activities</b>	
	<b>2016</b>	<b>2015</b>
Land	\$ 3,253,263	\$ 3,253,263
Construction in progress	16,528,316	13,444,580
Land improvements	747,085	804,620
Building and building improvements	131,195,703	134,073,054
Machinery, equipment and vehicles	2,907,876	2,648,775
Total	<u>\$ 154,632,243</u>	<u>\$ 154,224,292</u>

For more detailed information, please refer to Note 4 to the basic financial statements.

**Debt Administration and Long-term Liabilities**

At June 30, 2016, the District had \$139,724,674 of long-term liabilities. Of this amount, \$4,648,101 relates to compensated absences; \$4,555,541 relates to various capital leases payable; \$93,140,000 of serial bonds for school construction and renovation projects; \$28,353,039 relates to the net pension liability and \$9,027,993 is for the unamortized premium on bonds.

In the 2013 fiscal year, the legal voters of the Township approved a referendum to provide funds for the construction of additions and renovations at Burnet Hill Elementary School, Collins Elementary School, Harrison Elementary School, Hillside Elementary School and Riker Hill Elementary School and ADA compliance improvements at Livingston High School. The total cost of the project is \$18,200,000 and bonds and notes have been authorized for this amount. \$8,500,000 of bonds were issued during the 2014 fiscal year related to this referendum. The District issued \$4,300,000 of notes in June of 2015 and also issued grant anticipation notes in the amount of \$8,000,000 during the 2015 fiscal year.

The District issued an additional \$8,500,000 of bonds which were issued to further fund this referendum and to pay off \$4,300,000 of notes and also issued \$5,000,000 of grant anticipation notes during the 2016 fiscal year. The District also issued \$61,010,000 of refunding bonds to refund certain outstanding debt and will obtain a reduction in future debt service in the amount of \$3,571,994. At June 30, 2016, there are bonds and notes authorized but not issued in the amount of \$6,410,849.

At June 30, 2016, the District's overall remaining limitation of indebtedness was \$198,841,041. For more detailed information, please refer to Note 5 to the basic financial statements.



## **For the Future**

The Livingston Board of Education is presently in good financial condition. The District is proud of its community support of the public schools.

In conclusion, the Livingston Board of Education has committed itself to sound financial practices. The District plans to continue to improve its fiscal management to meet the challenges of the future.

## **Contacting the District's Financial Management**

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional information, contact Mr. Steven Robinson, Business Administrator/Board Secretary at Livingston Board of Education, 11 Foxcroft Drive, Livingston, New Jersey 07039.

## Basic Financial Statements

## Government-wide Financial Statements

The government-wide financial statements provide a financial overview of the District's operations. These financial statements present the financial position and operating results of all governmental activities and business-type activities as of and for the year ended June 30, 2016.

## Livingston Board of Education

## Statement of Net Position

June 30, 2016

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
<b>Assets</b>			
Cash and cash equivalents	\$ 17,126,883	\$ 348,537	\$ 17,475,420
Investments	41,699		41,699
Accounts receivable	2,281,210	492	2,281,702
Inventories		8,549	8,549
Restricted assets:			
Cash and cash equivalents	3,184,627		3,184,627
Capital assets, non depreciable	19,781,579		19,781,579
Capital assets, depreciable, net	134,850,664		134,850,664
Total assets	<u>177,266,662</u>	<u>357,578</u>	<u>177,624,240</u>
<b>Deferred outflows of resources</b>			
Unamortized deferred loss on refunding debt	3,401,320		3,401,320
Pension deferrals	4,939,926		4,939,926
Total deferred outflows of resources	<u>8,341,246</u>		<u>8,341,246</u>
<b>Liabilities</b>			
Accounts payable	1,679,464	150,566	1,830,030
Notes payable	5,000,000		5,000,000
Accrued interest payable	1,882,031		1,882,031
Intergovernmental payables:			
State	59,374		59,374
Unearned revenue	3,674	82,315	85,989
Other liabilities	66,000		66,000
Net pension liability	28,353,039		28,353,039
Current portion of long-term obligations	5,668,506		5,668,506
Noncurrent portion of long-term obligations	105,703,129		105,703,129
Total liabilities	<u>148,415,217</u>	<u>232,881</u>	<u>148,648,098</u>
<b>Deferred inflow of resources</b>			
Pension deferrals	1,300,790		1,300,790
<b>Net position</b>			
Net investment in capital assets	59,527,328		59,527,328
Restricted for:			
Capital projects	521,434		521,434
Other purposes	5,018,625		5,018,625
Unrestricted (deficit)	(29,175,486)	124,697	(29,050,789)
Total net position	<u>\$ 35,891,901</u>	<u>\$ 124,697</u>	<u>\$ 36,016,598</u>

## Livingston Board of Education

## Statement of Activities

Year ended June 30, 2016

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	
<b>Governmental activities</b>							
Instruction	\$ 87,448,186	\$ 170,384	\$ 1,833,018		\$ (85,444,784)		\$ (85,444,784)
Support services:							
Attendance/social work	111,626				(111,626)		(111,626)
Health services	1,602,126				(1,602,126)		(1,602,126)
Other support services	11,618,707		454,867		(11,163,840)		(11,163,840)
Improvement of instruction	3,109,500				(3,109,500)		(3,109,500)
Other support: instructional staff	631,642				(631,642)		(631,642)
School library	1,953,426				(1,953,426)		(1,953,426)
General administration	1,614,656				(1,614,656)		(1,614,656)
School administration	6,813,282				(6,813,282)		(6,813,282)
Required maintenance of plant services	1,781,738				(1,781,738)		(1,781,738)
Operation of plant	7,359,396			\$ 121,562	(7,237,834)		(7,237,834)
Student transportation	3,757,943	372,107			(3,385,836)		(3,385,836)
Central services	2,108,249				(2,108,249)		(2,108,249)
Administrative information technology	1,881,804				(1,881,804)		(1,881,804)
Charter Schools	30,910				(30,910)		(30,910)
Interest and other charges on long-term obligations	4,439,833				(4,439,833)		(4,439,833)
Total governmental activities	136,263,024	542,491	2,287,885	121,562	(133,311,086)		(133,311,086)
<b>Business-type activities</b>							
Food service	1,731,199	1,691,124				\$ (40,075)	(40,075)
Total business-type activities	1,731,199	1,691,124				(40,075)	(40,075)
Total primary government	\$ 137,994,223	\$ 2,233,615	\$ 2,287,885	\$ 121,562	(133,311,086)	(40,075)	(133,351,161)
<b>General revenues:</b>							
Property taxes, levied for general purposes					97,514,537		97,514,537
Property taxes, levied for debt service					6,514,901		6,514,901
Unrestricted federal sources					31,755		31,755
Unrestricted state sources					29,897,757		29,897,757
Investment earnings					88,831	1,163	89,994
Rental income					564,534		564,534
Miscellaneous income					200,351		200,351
Total general revenues					134,812,666	1,163	134,813,829
Change in net position					1,501,580	(38,912)	1,462,668
Net position—beginning of year					34,390,321	163,609	34,553,930
Net position—end of year					\$ 35,891,901	\$ 124,697	\$ 36,016,598

## Fund Financial Statements

## Governmental Funds

Livingston Board of Education  
Governmental Funds

Balance Sheet

June 30, 2016

	Major Funds				Total Governmental Funds
	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	
<b>Assets</b>					
Cash and cash equivalents	\$ 5,894,593	\$ 2,302,593	\$ 8,694,991	\$ 234,706	\$ 17,126,883
Investments	41,699				41,699
Accounts receivable:					
State	1,105,139	3,618	905,990		2,014,747
Federal	25,162	214,017			239,179
Interfund	1,309,465		3,190,782		4,500,247
Other	27,284				27,284
Restricted assets:					
Cash and cash equivalents	3,184,627				3,184,627
<b>Total assets</b>	<b>\$ 11,587,969</b>	<b>\$ 2,520,228</b>	<b>\$ 12,791,763</b>	<b>\$ 234,706</b>	<b>\$ 27,134,666</b>
<b>Liabilities and fund balances</b>					
<b>Liabilities:</b>					
Accounts payable	\$ 285,960	\$ 13,725	\$ 187,020		\$ 486,705
Notes payable			5,000,000		5,000,000
Unearned revenue		3,674			3,674
Intergovernmental payables:					
State		59,374			59,374
Interfunds payable	3,256,782	140,862	1,168,603		4,566,247
<b>Total liabilities</b>	<b>3,542,742</b>	<b>217,635</b>	<b>6,355,623</b>		<b>10,116,000</b>
<b>Fund balances:</b>					
<b>Restricted for:</b>					
Capital reserve	2,861,292				2,861,292
Emergency reserve	323,335				323,335
Excess fund balance - prior year designated for subsequent years expenditures	936,922				936,922
Excess fund balance-current year	897,076				897,076
Debt service				\$ 234,706	234,706
Capital projects			6,436,140		6,436,140
<b>Assigned to:</b>					
Designated for subsequent years' expenditures	363,078	2,302,593			2,665,671
Designated for subsequent years' expenditures - SEMI	25,162				25,162
Other purposes	136,507				136,507
Unassigned	2,501,855				2,501,855
<b>Total fund balances</b>	<b>8,045,227</b>	<b>2,302,593</b>	<b>6,436,140</b>	<b>234,706</b>	<b>17,018,666</b>
<b>Total liabilities and fund balances</b>	<b>\$ 11,587,969</b>	<b>\$ 2,520,228</b>	<b>\$ 12,791,763</b>	<b>\$ 234,706</b>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$204,803,187 and the accumulated depreciation is \$50,170,944.	154,632,243
Accrued interest on long-term bonds, notes and capital leases is not due and payable in the current period and therefore is not reported as a liability in the funds.	(1,882,031)
Deferred pension costs in governmental activities are not financial resources and are therefore not reported in the funds.	3,639,136
Losses arising from the issuance of refunding bonds that are a result of the difference in the carrying value of the refunded bonds and the new bonds are deferred and amortized over the life of the bonds.	3,401,320
Net pension liability is not due and payable in the current period and therefore is not reported as a liability in the funds.	(28,353,039)
Accrued pension contributions for the June 30, 2016 plan year end 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.	(1,192,759)
Long-term liabilities, including bonds payable, capital leases, compensated absences and unamortized premium on bonds are not due and payable in the current period and therefore are not reported as liabilities in the funds.	(111,371,635)
<b>Net position of governmental activities</b>	<b>\$ 35,891,901</b>



Livingston Board of Education  
Governmental Funds

Statement of Revenues, Expenditures and Changes in Fund Balances

Year ended June 30, 2016

	Major Funds				Total Governmental Funds
	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	
<b>Revenues</b>					
Local sources:					
Local tax levy	\$ 97,514,537			\$ 6,514,901	\$ 104,029,438
Tuition	75,216				75,216
Tuition from other LEA's	95,168				95,168
Transportation fees from individuals	372,107				372,107
Interest on investments	34,656		\$ 12,476		47,132
Investment income	41,699				41,699
Rental income	564,534				564,534
Miscellaneous	63,845	\$ 22,806		197,456	284,107
Total local sources	98,761,762	22,806	12,476	6,712,357	105,509,401
State sources	14,973,543	652,700	121,562	897,897	16,645,702
Federal sources	31,755	1,612,379			1,644,134
Total revenues	113,767,060	2,287,885	134,038	7,610,254	123,799,237
<b>Expenditures</b>					
Current:					
Instruction	48,761,173	1,833,018			50,594,191
Undistributed-current:					
Instruction	6,476,692				6,476,692
Attendance/social work	67,821				67,821
Health services	983,322				983,322
Support services	7,289,512	454,867			7,744,379
Improvement of instruction	1,904,505				1,904,505
School library	1,251,112				1,251,112
Instructional staff training	403,168				403,168
General administration	1,310,194				1,310,194
School administration	4,328,243				4,328,243
Required maintenance of plant services	1,247,717				1,247,717
Operation of plant	5,485,748				5,485,748
Student transportation	3,004,148				3,004,148
Central services	1,403,980				1,403,980
Administrative information technology	1,327,396				1,327,396
Unallocated benefits	14,404,601				14,404,601
On-behalf TPAF social security and pension contributions	11,507,978				11,507,978
Capital outlay	1,703,431	497,407	3,520,105		5,720,943
Charter Schools	30,910				30,910
Costs of issuance				423,848	423,848
Debt service:					
Principal				4,310,000	4,310,000
Interest				3,153,228	3,153,228
Total expenditures	112,891,651	2,785,292	3,520,105	7,887,076	127,084,124
Excess (deficiency) of revenues over (under) expenditures	875,409	(497,407)	(3,386,067)	(276,822)	(3,284,887)
Other financing sources (uses):					
Capital leases (non-budgeted)	1,000,000				1,000,000
Capital lease proceeds		2,800,000			2,800,000
Bonds issued			8,500,000		8,500,000
Refunding bonds issued				61,010,000	61,010,000
Original Issue Premium				8,886,902	8,886,902
Equity contribution				134,265	134,265
Payment to refunding bond escrow account				(69,607,319)	(69,607,319)
Transfers in	12,476		2,954,550		2,967,026
Transfers out	(2,954,550)		(12,476)		(2,967,026)
Total other financing sources (uses)	(1,942,074)	2,800,000	11,442,074	423,848	12,723,848
Net change in fund balances	(1,066,665)	2,302,593	8,056,007	147,026	9,438,961
Fund balances (deficit), July 1	9,111,892	-	(1,619,867)	87,680	7,579,705
Fund balances, June 30	\$ 8,045,227	\$ 2,302,593	\$ 6,436,140	\$ 234,706	\$ 17,018,666

The reconciliation of the fund balances of government funds to the net position of governmental activities in the statement of activities is presented in accompanying schedule (B-3).

Livingston Board of Education  
Governmental Funds

Reconciliation of the Statement of Revenues, Expenditures and Changes  
in Fund Balances of Governmental Funds to the Statement of Activities

Year ended June 30, 2016

<b>Total net change in fund balances - governmental funds (from B-2)</b>		<b>\$ 9,438,961</b>
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 additions exceeded depreciation expense in the period.		
	Capital additions	\$ 4,359,370
	Depreciation expense	<u>(3,951,419)</u>
		407,951
In the statement of activities, interest on debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due.		(201,902)
The issuance of long-term debt for general and refunding purposes provides current financial resources to governmental funds, however has no effect on net position		
	Serial bonds issued	(8,500,000)
	Refunding bonds issued	(61,010,000)
	Bonds refunded	<u>66,526,000</u>
		(2,984,000)
Repayments of bond and capital lease principal are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.		
	Serial bonds payable	4,310,000
	Obligations under capital lease	<u>603,831</u>
		4,913,831
The issuance of capital leases proceeds provides current financial resources to governmental funds and has no effect on net position.		(3,800,000)
Governmental funds report the effect of premiums on bonds and deferred interest costs when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.		
	Premium on bond issuance	(8,886,902)
	Amortization of premium on bonds	377,049
	Deferred loss on refunding	3,081,319
	Amortization of deferred loss	<u>(172,169)</u>
		(5,600,703)
Certain expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		
	Pension expense accrual basis adjustment	(589,291)
In accordance with GASB 72, which was implemented for the year ended June 30, 2016, the investment value of solar renewable energy certificates are now presented at market value in the B-1 and B-2 modified accrual schedules. This is the value as of June 30, 2015 that was recognized in accordance with prior accounting standards on the full accrual schedules.		(60,950)
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).		(22,317)
<b>Change in net position of governmental activities (A-2)</b>		<u><u>\$ 1,501,580</u></u>

# Enterprise Fund

Livingston Board of Education  
Enterprise Fund

Statement of Net Position

June 30, 2016

	<b>Major Fund</b>
	<b>Food Service</b>
<b>Assets</b>	
Current assets:	
Cash and cash equivalents	\$ 348,537
Accounts receivable:	
Other	492
Inventories	8,549
Total current assets	357,578
Non-current assets:	
Capital assets:	
Equipment	122,491
Accumulated depreciation	(122,491)
Total capital assets, net	-
Total assets	357,578
<b>Liabilities</b>	
Current liabilities:	
Accounts payable	150,566
Unearned revenue	82,315
Total current liabilities	232,881
<b>Net position</b>	
Unrestricted	124,697
Total net position	\$ 124,697

Livingston Board of Education  
Enterprise Fund

Statement of Revenues, Expenses and  
Changes in Fund Net Position

Year ended June 30, 2016

	<b>Major Fund</b>
	<b>Food Service</b>
Operating revenues:	
Local sources:	
Daily food sales-reimbursable programs	\$ 1,665,686
Special event income	25,438
Total operating revenues	1,691,124
Operating expenses:	
Salaries	509,652
Employee benefits	88,707
Supplies and materials	241,727
Purchased property services	124,138
Other purchased services	21,076
Cost of sales	681,942
Management fee	43,087
Miscellaneous	20,870
Total operating expenses	1,731,199
Operating loss	(40,075)
Nonoperating revenues:	
Interest	1,163
Total nonoperating revenues	1,163
Change in net position	(38,912)
Total net position-beginning	163,609
Total net position-ending	\$ 124,697

Livingston Board of Education  
Enterprise Fund

Statement of Cash Flows

Year ended June 30, 2016

	<b>Major Fund</b>
	<b>Food Service</b>
<b>Cash flows from operating activities</b>	
Receipts from customers	\$ 1,729,348
Payments to employees and for employee benefits	(598,359)
Payments to suppliers	(1,103,215)
Net cash provided by operating activities	27,774
 <b>Cash flows from investing activities</b>	
Interest received	1,163
Net cash provided by investing activities	1,163
 Net increase in cash and cash equivalents	28,937
Cash and cash equivalents, beginning of year	319,600
Cash and cash equivalents, end of year	\$ 348,537
 <b>Reconciliation of operating (loss) to net cash provided by operating activities</b>	
Operating (loss)	\$ (40,075)
Adjustments to reconcile operating (loss) to net cash provided by operating activities:	
Change in assets and liabilities:	
Decrease in accounts receivable	8,823
Decrease in inventory	2,660
Increase in accounts payable	26,965
Increase in unearned revenue	29,401
Net cash provided by operating activities	\$ 27,774

## Fiduciary Funds

Livingston Board of Education  
Fiduciary Funds

Statement of Fiduciary Net Position

June 30, 2016

	<b>Unemployment Compensation Trust</b>	<b>Agency Fund</b>
	<u>Trust</u>	<u>Agency Fund</u>
<b>Assets</b>		
Cash and cash equivalents	\$ 272,700	\$ 2,971,226
Interfund receivable	66,000	
Total assets	<u>338,700</u>	<u>\$ 2,971,226</u>
<b>Liabilities</b>		
Payroll deductions and withholdings payable		\$ 648,823
Summer escrow payable		1,848,192
Accounts payable	8,153	
Due to student groups		474,211
Total liabilities	<u>8,153</u>	<u>\$ 2,971,226</u>
<b>Net position</b>		
Held in trust for unemployment claims	<u>\$ 330,547</u>	



Livingston Board of Education  
Fiduciary Funds

Statement of Changes in Fiduciary Net Position

Year ended June 30, 2016

	<u>Unemployment Compensation Trust</u>
<b>Additions</b>	
Interest income	\$ 699
Board contributions	99,679
Employee contributions	66,092
Total additions	<u>166,470</u>
<b>Deductions</b>	
Unemployment claims paid	<u>101,569</u>
Total deductions	<u>101,569</u>
Change in net position	64,901
Net position-beginning of the year	265,646
Net position-end of the year	<u><u>\$ 330,547</u></u>

# Livingston Board of Education

## Notes to the Basic Financial Statements

Year ended June 30, 2016

### **1. Summary of Significant Accounting Policies**

The financial statements of the Livingston Board of Education (the “District”) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

#### **A. Reporting Entity**

The financial reporting entity consists of a) the primary government, b) organizations for which the primary government is financially accountable and c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity’s financial statements to be misleading or incomplete.

The definition of the reporting entity is based primarily on the notion of financial accountability. A primary government is financially accountable for the organizations that make up its legal entity. It is also financially accountable for legally separate organizations if its officials appoint a voting majority of an organization’s governing body and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the primary government. A primary government may also be financially accountable for governmental organizations that are fiscally dependent on it.

The District, as the primary government for financial reporting entity purposes, has oversight responsibility and control over all activities related to the Livingston Board of Education in the Township of Livingston, New Jersey. The District receives funding from local, state, and federal government sources and must comply with the requirements of these funding source entities.

The District has no component units that are required to be included within the reporting entity, as set forth in Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards.

# Livingston Board of Education

## Notes to the Basic Financial Statements (continued)

Year ended June 30, 2016

### **1. Summary of Significant Accounting Policies (continued)**

#### **B. Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the District. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported in the basic financial statements and are reported separately from business-type activities, which rely on a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter is excluded from the government-wide financial statements. Major individual governmental funds and major individual proprietary funds are reported as separate columns in the fund financial statements. The New Jersey Department of Education requires all funds be reported as major to promote consistency among school districts in the State of New Jersey.

#### **C. 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 for 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.

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

# Livingston Board of Education

## Notes to the Basic Financial Statements (continued)

Year ended June 30, 2016

### 1. Summary of Significant Accounting Policies (continued)

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 all revenues to be available if they are collected within sixty days of the end of the current fiscal year. 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, unfunded pension liabilities and capital leases, are recorded only when payment is due.

Property taxes, interest, and state equalization monies associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal year.

In accordance with the GASB 72 implementation during fiscal year ended June 30, 2016, funds invested in solar renewable energy certificates associated with the current fiscal period are considered revenue under the full accrual and modified accrual basis of accounting. These investments, however, are not recognized on the budgetary basis of accounting until sold or expected to be sold within sixty days after year end.

The District has reported the following major governmental funds:

*General Fund:* The general fund is the general operating fund of the 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.

*Special Revenue Fund:* The District maintains one special revenue fund, which includes the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes, other than debt service or capital projects.

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

# Livingston Board of Education

## Notes to the Basic Financial Statements (continued)

Year ended June 30, 2016

### 1. Summary of Significant Accounting Policies (continued)

*Debt Service Fund:* The debt service fund accounts for and reports financial resources that are restricted, committed, or assigned to an expenditure for the principal and interest on long-term general obligation debt of governmental funds.

The District reports the following major proprietary fund:

*Food Service Enterprise Fund:* The food service fund accounts for all revenues and expenses pertaining to cafeteria operations. This fund is utilized to account for operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that the cost (i.e., expenses including depreciation and indirect costs) of providing goods and services to the students or other entities on a continuing basis are financed or recovered primarily through user charges.

Additionally, the District reports the following fund types:

Fiduciary funds of the District include the unemployment compensation trust fund and agency funds. Agency funds are purely custodial (assets equal liabilities) and thus do not involve measurements of results of operations. The following is a description of the fiduciary funds of the District.

*Trust Funds:* The unemployment compensation fund is accounted for in essentially the same manner as governmental funds. The unemployment compensation fund is used to account for contributions from employees and interest earned on the balance as well as payments to the State for reimbursement of unemployment claims.

*Agency Funds (Payroll and Student Activities Fund):* Agency funds are used to account for the assets that the District holds on behalf of others as their agent. Agency funds are custodial in nature and do not involve measurement of results of operations.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as program revenues include 1) fees charged 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.

# Livingston Board of Education

## Notes to the Basic Financial Statements (continued)

Year ended June 30, 2016

### **1. Summary of Significant Accounting Policies (continued)**

Proprietary funds distinguish operating revenues and expenses from nonoperating 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 District enterprise funds are charges for sales of food. Operating expenses for enterprise funds include the cost of sales, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The District reports unearned revenue on its balance sheet and statement of net position. Unearned revenue arises when resources are received by the District before it has legal claim to them, as when federal assistance is received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the District has a legal claim to the resources, the liability for unearned revenue is removed from the balance sheet and statement of net position and revenue is recognized.

Ad Valorem (Property) taxes are susceptible to accrual as, under New Jersey State Statute, a municipality is required to remit to its school district the entire balance of taxes in the amount certified prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available. The District is entitled to receive moneys under the established payment schedule and the unpaid amount is considered to be an "accounts receivable." The County Board of Taxation is responsible for the assessment of properties and the Township Tax Collector is responsible for the collection of taxes. Assessments are certified and taxes are levied on January 1; taxes are due February 1, May 1, August 1 and November 1. Unpaid taxes are considered delinquent the following January 1 and are then subject to lien.

### **D. 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 superintendent and approved by the Department of Education. Budgets are prepared using the modified accrual basis of accounting and the special revenue fund uses a non-GAAP budget (budgetary basis). 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 referred in N.J.A.C. 6A:23. All budget amendments must be approved by School Board resolution. The over-expenditures related to on-behalf payments in the general fund are due to the inclusion of the non-budgeted on-

# Livingston Board of Education

## Notes to the Basic Financial Statements (continued)

Year ended June 30, 2016

### **1. Summary of Significant Accounting Policies (continued)**

#### **D. Budgets/Budgetary Control (continued)**

behalf payments made by the State of New Jersey as District expenditures. These amounts are offset by related revenues and as such do not represent budgetary over-expenditures.

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 accounting principles generally accepted in the United States with the exception of the legally mandated revenue recognition of the last state aid payments 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.

#### **E. Cash, Cash Equivalents and Investments**

Cash and cash equivalents include petty cash, change funds, amounts on deposit and short-term investments with original maturities of three months or less from the date of purchase.

Investments are stated at fair value in accordance with Governmental Accounting Standards Board (GASB) Statement No. 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools" and Statement No. 72 "Fair Value Measurement and Application." The District classifies certificates of deposit, which have original maturity dates of more than three months but less than twelve months from the date of purchase, as investments and are stated at cost. All other investments are stated at fair value.

#### **F. Interfund Receivables/Payables**

Interfund receivables/payables represent amounts that are owed to/from a particular fund in the District and that are due within one year.

# Livingston Board of Education

## Notes to the Basic Financial Statements (continued)

Year ended June 30, 2016

### 1. Summary of Significant Accounting Policies (continued)

#### G. Inventories

Inventories that benefit future periods, other than those recorded in the enterprise fund, are recorded as an expenditure during the year of purchase. The food service enterprise fund inventories are valued at cost, which approximates market, using first-in, first-out (FIFO) method.

#### H. Capital Assets

Capital assets, which include land, buildings, property, plant and equipment and construction in progress, are reported in the applicable governmental activities in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$2,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost. Donated capital assets are valued at their estimated fair value on the date of donation.

The costs of normal repairs and maintenance that do not add to the value of the asset or materially extend the assets lives are not capitalized.

Property, plant and equipment of the District is depreciated using the straight line method (half year convention in first and last year). The following estimated useful lives are used to compute depreciation:

	<u>Years</u>
Machinery and equipment	3-20
Buildings	50-100
Building improvements	20
Solar panels	25
Vehicles	5-10



# Livingston Board of Education

## Notes to the Basic Financial Statements (continued)

Year ended June 30, 2016

### 1. Summary of Significant Accounting Policies (continued)

#### I. Accrued Salaries and Wages

Certain District employees who provided services to the District over the ten-month academic year have the option to have their salaries evenly disbursed during the entire twelve-month year. New Jersey statutes require that these earned but not disbursed amounts be retained in a separate bank account. As of June 30, 2016, the amount earned by these employees and not disbursed as of June 30, 2016 was \$1,848,192 and is included in liabilities-summer escrow payable in the fiduciary fund.

#### J. Deferred Outflows/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. Currently, the District has two items that qualify for reporting in this category, including deferred amounts from the refunding of debt and deferred amounts related to pensions. 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 future periods and so will *not* be recognized as an inflow of resources (revenue) until that time. The District has one item that qualifies for reporting in this category, deferred amounts related to pensions.

#### K. Deferred Loss on Defeasance of Debt

Deferred loss on refunding arising from the issuance of the refunding bonds is recorded as a deferred outflow of resources. It is amortized in a systematic and rational manner over the duration of the related debt as a component of interest and other charges on long-term debt. The amortization expense for the year ended June 30, 2016 amounted to \$172,169 and the remaining balance at June 30, 2016 is \$3,401,320.

#### L. Compensated Absences

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 employer and employee is accrued as employees earn the rights to the benefits. The District uses the "vesting method" for estimating its accrued sick and vacation leave liability.

## Livingston Board of Education

### Notes to the Basic Financial Statements (continued)

Year ended June 30, 2016

#### **1. Summary of Significant Accounting Policies (continued)**

##### **L. Compensated Absences (continued)**

District employees are granted vacation and sick leave in varying amounts under the District's personnel policies. In the event of termination, an employee is reimbursed for accumulated vacation. Sick leave benefits provide for ordinary sick pay and begin vesting with the employee after one year of service.

The liability for vested compensated absences of the District is recorded in the government-wide financial statements and includes salary related payments.

As of June 30, 2016, a liability existed for compensated absences in the government-wide financial statements in the amount of \$4,648,101.

##### **M. Long-Term Obligations**

In the government-wide financial statements and enterprise fund in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or enterprise fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method which approximates the effective interest method. Bonds payable are reported net of the applicable bond premiums or discounts.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

##### **N. Fund Balances**

GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* ("GASB 54") established fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Under GASB 54, fund balances in the governmental funds financial statements are reported under the modified accrual basis of accounting and classified into the following five categories, as defined below:

# Livingston Board of Education

## Notes to the Basic Financial Statements (continued)

Year ended June 30, 2016

### 1. Summary of Significant Accounting Policies (continued)

#### N. Fund Balances (continued)

- 1) Nonspendable – includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Assets included in this fund balance category include prepaid assets, inventories, long-term receivables, and corpus of any permanent funds.
- 2) Restricted - includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.
- 3) Committed - includes amounts that can be used only for the specific purposes imposed by a formal action of the government’s highest level of decision-making authority. The District’s highest level of decision-making authority is the Board of Education (the “Board”) and formal action is taken by resolution of the Board at publicly held meetings. Once committed, amounts cannot be used for other purposes unless the Board revises or changes the specified use by taking the same action (resolution) taken to originally commit these funds.
- 4) Assigned – amounts intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed. Intent is expressed by either the Board or Business Administrator, to whom the Board has delegated the authority to assign amounts to be used for specific purposes, including the encumbering of funds.
- 5) Unassigned - includes all spendable amounts not contained in the other classifications in the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed or assigned to specific purposes within the general fund. The general fund is the only fund that reports a positive unassigned fund balance amount. In the other governmental funds, if expenditures incurred for specific purposes exceed the amounts restricted, committed or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

When 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. For the unrestricted fund balance, the District first spends committed funds, then assigned funds, and finally, unassigned funds.

# Livingston Board of Education

## Notes to the Basic Financial Statements (continued)

Year ended June 30, 2016

### 1. Summary of Significant Accounting Policies (continued)

#### N. Fund Balances (continued)

Of the \$8,045,227 of fund balance in the General Fund, \$2,861,292 has been restricted in the capital reserve account, \$323,335 has been restricted in an emergency reserve account, \$897,076 has been restricted for excess surplus-current year, \$936,922 has been restricted for prior year excess surplus that has been designated for subsequent year's expenditures, \$136,507 of outstanding encumbrances is assigned to other purposes, \$388,240 of fund balance has been assigned to designated for subsequent year's expenditures and \$2,501,855 is unassigned.

#### O. Net Position

Net position represents the difference between assets, deferred inflows of resources, deferred outflows of resources and liabilities in the Government-wide and proprietary fund financial statements. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any long-term debt used to build or acquire the capital assets. Net positions are reported as restricted in the Government-wide and fund financial statements when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

#### P. Management Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

#### Q. On-Behalf Payments

Revenues and expenditures of the general fund include payments made by the State of New Jersey social security and post-retirement pension and medical contributions for certified teachers and other members of the New Jersey Teachers Pension and Annuity Fund. Additionally, revenues and expenses related to on-behalf pension contributions in the government-wide financial statements have been increased by \$14,026,317 to adjust for the full accrual basis expense incurred by the State of New Jersey during the most recent measurement period. The amounts are not required to be included in the District's annual budget.

# Livingston Board of Education

## Notes to the Basic Financial Statements (continued)

Year ended June 30, 2016

### **1. Summary of Significant Accounting Policies (continued)**

#### **R. Calculation of Excess Surplus**

The designation for restricted fund balance -- excess surplus is a required calculation pursuant to N.J.S.A. 18A:7F-7, as amended. 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, 2016 was \$1,833,998. Of this amount, \$936,922 has been appropriated in the 2016/17 budget and the remaining \$897,076 will be appropriated in the 2017/18 budget.

#### **S. GASBs Implemented in the 2016 Fiscal Year**

In February, 2015, GASB issued Statement No. 72, *Fair Value Measurement and Application* ("GASB 72"). The objective of this Statement is to provide guidance for applying fair value for certain assets and liabilities and disclosures related to all fair value measurements. The requirements of this Statement mandate the use of valuation techniques that are appropriate under the circumstances and for which sufficient data are available to measure fair value. The requirements of this Statement will enhance comparability of financial statements among governments by requiring measurement of certain assets and liabilities at fair value using a consistent and more detailed definition of fair value and accepted valuation techniques. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2015. The District has adopted GASB No. 72 during the year ended June 30, 2016.

#### **T. Recently Issued Accounting Pronouncements to be implemented in future years**

GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* ("GASB No. 75"). The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local government employers about financial support for OPEB that is provided by other entities. The Statement will become effective for the District in the 2018 fiscal year. Management has not yet determined the impact of this Statement on the financial statements.

# Livingston Board of Education

## Notes to the Basic Financial Statements (continued)

Year ended June 30, 2016

### 1. Summary of Significant Accounting Policies (continued)

#### T. Recently Issued Accounting Pronouncements to be implemented in future years (continued)

GASB Statement No. 77, *Tax Abatement Disclosures* (“GASB No. 77”). This Statement requires governments that enter into tax abatement agreements to disclose certain information about the agreements. The Statement will become effective for the District in the 2017 fiscal year. Management has not yet determined the impact of this Statement on financial statement note disclosures.

#### U. Subsequent Events

Management has reviewed and evaluated all events and transactions that occurred from June 30, 2016 through December 2, 2016, the date that the financial statements were issued, for possible disclosure and recognition in the financial statements, and no items have come to the attention of the District that would require disclosure.

### 2. Reconciliation of Government-Wide and Fund Financial Statements

#### Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-Wide Statement of Net Position

The governmental fund balance sheet includes a reconciliation between fund balance – total governmental funds and net position – governmental activities as reported in the government-wide statement of net position. One element of that reconciliation explains that long-term liabilities, including bonds payable and related unamortized premium, capital leases payable and compensated absences are not due and payable in the current period and therefore are not reported in the funds. The details of this \$111,371,635 difference are as follows:

Bonds payable	\$ 93,140,000
Premium on bonds	9,027,993
Capital leases payable	4,555,541
Compensated absences	<u>4,648,101</u>
Net adjustment to reduce fund balance - total governmental funds to arrive at net position - governmental activities	<u>\$ 111,371,635</u>

# Livingston Board of Education

## Notes to the Basic Financial Statements (continued)

Year ended June 30, 2016

### 3. Deposits and Investments

Cash and cash equivalents include petty cash, change funds, amounts on deposit and short-term investments with original maturities of three months or less.

Investments are stated at fair value in accordance with Governmental Accounting Standards Board (GASB) Statement No. 72, *Fair Value Measurement and Application*. The Board classifies certificates of deposit, which have original maturity dates of more than three months but less than twelve months from the date of purchase, as investments and are stated at cost. All other investments are stated at fair value.

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

Additionally, the District has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect governmental units from a 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.

#### Deposits

New Jersey statutes require that school districts deposit public funds in public depositories located in New Jersey that are insured by the Federal Deposit Insurance Corporation, the Federal Savings and Loan Insurance Corporation, or by any other agency of the United States that insures deposits made in public depositories. School districts are also permitted to deposit public funds in the State of New Jersey Cash Management Fund.

# Livingston Board of Education

## Notes to the Basic Financial Statements (continued)

Year ended June 30, 2016

### 3. Deposits and Investments (continued)

New Jersey statutes require public depositories to maintain collateral for deposits of public funds that exceed depository insurance limits as follows:

The market value of the collateral must equal at least 5% of the average daily balance of collected public funds on deposit.

In addition to the above collateral requirement, if the public funds deposited exceed 75% of the capital funds of the depository, the depository must provide collateral having a market value at least equal to 100% of the amount exceeding 75%.

All collateral must be deposited with the Federal Reserve Bank of New York, the Federal Reserve Bank of Philadelphia, the Federal Home Loan Bank of New York, or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.

Operating cash accounts are held in the District's name by several commercial banking institutions. At June 30, 2016, the carrying amount of the District's deposits was \$21,103,973 and the bank balance was \$23,645,205. Of the bank balance, \$250,318 was secured by federal depository insurance. The New Jersey governmental Unit Deposit Protection Act (GUDPA) covered the bank balance of \$20,808,905. \$2,585,982 is held in the District agency accounts are not covered by GUDPA. In addition, there are \$2,800,000 of funds held by a fiscal agent for lease proceeds.

Pursuant to GASB Statement No. 40, "Deposit and Investment Risk Disclosures" ("GASB 40"), the District's operating cash accounts are profiled in order to determine exposure, if any, to Custodial Credit Risk (risk that in the event of failure of the counterparty the District would not be able to recover the value of its deposits and investments). Deposits are considered to be exposed to Custodial Credit Risk if they are: uncollateralized (securities not pledged to the depositor), collateralized with securities held by the pledging financial institution, or collateralized with securities held by the financial institution's trust department or agent but not in the government's name.

The District does not have a policy for the management of custodial credit risk, other than depositing all of its funds in banks covered by GUDPA. At least five percent of the District's deposits were fully collateralized by funds held by the financial institution, but not in the name of the District. Due to the nature of GUDPA, further information is not available regarding the full amount that is collateralized.



## Livingston Board of Education

### Notes to the Basic Financial Statements (continued)

Year ended June 30, 2016

#### **3. Deposits and Investments (continued)**

##### **Investments**

New Jersey statutes permit the Board to purchase the following types of securities:

- a. Bonds and other obligations of the United States or obligations guaranteed by the United States.
- b. Bonds of any Federal Intermediate Credit Bank, Federal Home Loan Bank, Federal National Mortgage Agency or of any United States Bank for Cooperatives which have a maturity date not greater than twelve months from the date of purchase.
- c. Bonds or other obligations of the school district.
- d. New Jersey Cash Management Fund and New Jersey Asset and Rebate Management Fund.

As of June 30, 2016, the District's investment balances of \$41,699 were in Solar Renewable Energy Certificates. The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The District has the following recurring fair value measurement as of June 30, 2016:

- Solar Renewable Energy Credits in the amount of \$41,699 are valued using quoted market prices (Level 1 inputs).

##### **New Jersey Cash Management Fund**

In order to maximize liquidity, the District utilizes the New Jersey Cash Management Fund ("NJCMF"). The NJCMF is administered by the State of New Jersey, Department of the Treasury. It invests pooled monies from various State and non-State agencies in primarily short-term investments. The fair value of the District's portion in the pool is the same as the fair value of the pool shares. These investments include: U.S. Treasuries, short-term Commercial Paper, U.S. Agency Bonds, Corporate Bonds, and Certificates of Deposit. Agencies that participate in the NJCMF typically earn returns that mirror short-term investments rates. Monies can be freely added or withdrawn from the NJCMF on a daily basis without penalty.

## Livingston Board of Education

### Notes to the Basic Financial Statements (continued)

Year ended June 30, 2016

#### **3. Deposits and Investments (continued)**

All investments in the Fund are governed by the regulations of the Investment Council, which prescribes specific standards designed to ensure the quality of investments and to minimize the risks related to investments. In all the years of the Division of Investment's existence, the Division has never suffered a default of principal or interest on any short-term security held by it due to the bankruptcy of a securities issuer; nevertheless, the possibility always exists, and for this reason a reserve is being accumulated as additional protection for the "Other-than-State" participants. In addition to the Council regulations, the Division sets further standards for specific investments and monitors the credit of all eligible securities issuers on a regular basis.

The District has investments in the New Jersey Cash Management Fund in the amount of \$143,627, which are classified as cash equivalents and are considered uncategorized.

*Custodial Credit Risk:* Pursuant to GASB 40, the NJCMF which is a pooled investment is exempt from custodial credit risk exposure. The District does not have a policy for custodial credit risk.

*Credit Risk:* The District does not have an investment policy regarding the management of credit risk. GASB 40 requires that disclosure be made as to the credit rating of all debt security investments except for obligations of the U.S. government or investments guaranteed by the U.S. government. The NJCMF is not rated by a rating agency.

*Interest Rate Risk:* The District does not have a policy to limit interest rate risk. The average maturity of the District's investment in the NJCMF, is less than one year.

*Concentration of Credit Risk:* The District places no limit on the amount the District may invest in any one issuer. At June 30, 2016, all of the District's investments were invested in NJCMF and SRECs.

Livingston Board of Education

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2016

**4. Capital Assets**

The following schedule is a summarization of the governmental activities changes in capital assets for the year ended June 30, 2016:

	<b>Beginning Balance</b>	<b>Increases</b>	<b>Transfers</b>	<b>Ending Balance</b>
Governmental activities:				
Capital assets, not being depreciated:				
Construction in progress	\$ 13,444,580	\$ 3,520,105	\$ (436,369)	\$ 16,528,316
Land	3,253,263			3,253,263
Total capital assets, not being depreciated	<u>16,697,843</u>	<u>3,520,105</u>	<u>(436,369)</u>	<u>19,781,579</u>
Capital assets, being depreciated:				
Land improvements	2,884,670			2,884,670
Buildings and building improvements	168,435,761	208,369	436,369	169,080,499
Machinery, equipment and vehicles	12,425,543	630,896		13,056,439
Total capital assets being depreciated	<u>183,745,974</u>	<u>839,265</u>	<u>436,369</u>	<u>185,021,608</u>
Less accumulated depreciation for:				
Land improvements	(2,080,050)	(57,535)		(2,137,585)
Buildings and building improvements	(34,362,707)	(3,522,089)		(37,884,796)
Machinery, equipment and vehicles	(9,776,768)	(371,795)		(10,148,563)
Total accumulated depreciation	<u>(46,219,525)</u>	<u>(3,951,419)</u>		<u>(50,170,944)</u>
Total capital assets, being depreciated, net	<u>137,526,449</u>	<u>(3,112,154)</u>		<u>134,850,664</u>
Governmental activities capital assets, net	<u>\$ 154,224,292</u>	<u>\$ 407,951</u>	<u>\$ -</u>	<u>\$ 154,632,243</u>

Livingston Board of Education

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2016

**4. Capital Assets (continued)**

Depreciation expense was charged to functions/programs of the District as follows:

Current:	
Instruction	\$ 2,283,935
Undistributed – current:	
Instruction	292,372
Attendance/social work	3,062
Health services	44,389
Support services	349,599
Improvement of instruction	85,974
Other support – instruction staff	18,200
School library	56,478
General administration	59,145
School administration	195,387
Required maintenance of plant services	56,325
Operation of plant	247,639
Student transportation	135,614
Central services	63,379
Administrative information technology	59,921
Total depreciation expense – governmental activities	<u>\$ 3,951,419</u>

The following is a summary of business-type activity changes in capital assets for the year ended June 30, 2016.

	<u>Beginning Balance</u>	<u>Ending Balance</u>
Business-type activity:		
Capital assets, being depreciated:		
Equipment	\$ 122,491	\$122,491
Less accumulated depreciation for:		
Equipment	(122,491)	(122,491)
Total accumulated depreciation	(122,491)	(122,491)
Business-type activity capital assets, net	<u>\$ -</u>	<u>\$ -</u>

Livingston Board of Education

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2016

**5. Long-Term Liabilities**

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due within One Year</u>
Governmental activities:					
Compensated absences payable	\$ 4,625,784	\$ 475,224	\$ 452,907	\$ 4,648,101	\$ 338,801
Premium on bonds	518,140	8,886,902	377,049	9,027,993	480,325
Serial bonds payable	94,466,000	69,510,000	70,836,000	93,140,000	4,030,000
Obligations under capital leases	1,359,372	3,800,000	603,831	4,555,541	819,380
Subtotal	100,969,296	82,672,126	72,269,787	111,371,635	5,668,506
Net pension liability	23,617,336	4,735,703		28,353,039	
<b>Governmental activities long-term liabilities</b>	<b>\$ 124,586,632</b>	<b>\$87,407,829</b>	<b>\$ 72,269,787</b>	<b>\$ 139,724,674</b>	<b>\$ 5,668,506</b>

The debt service fund is utilized to liquidate the serial bonds payable. The general fund liquidates the liabilities associated with compensated absences and obligations under capital leases. The net pension liability will be liquidated with payments from the general fund.

**Bonds Payable**

Bonds are authorized in accordance with State law or by the voters of the municipality through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the District are general obligation bonds. The principal and interest of these bonds will be paid from the debt service fund as required by New Jersey statutes.

In December 2009, a referendum was approved by the residents of the Township for facility upgrades, HVAC installation and solar panels for each school at a total cost of \$64,684,477. Bonds were authorized by the referendum for a portion of the projects total cost. In August 2010, the District issued \$9,000,000 of tax-exempt school bonds and \$28,075,000 of Build America bonds. The Build America bonds are on the direct pay method and the District is responsible for the net interest payments which have been reduced by 35% under the Build America Bonds. The issuance of the Build America Bonds resulted in a savings of \$9,384,040 in interest over the life of the bonds, which represents the federal portion of the interest. Effective July 1, 2013, due to the federal sequestration the entire 35% net interest payment reduction was not covered by the federal government and continued into the 2014 fiscal year. The total amount of the net interest payment reduction was not significant and the amount of any future reductions in the federal share of the interest is not known. These bonds were refunded in August 2015.

## Livingston Board of Education

### Notes to the Basic Financial Statements (continued)

Year ended June 30, 2016

#### **5. Long-Term Liabilities (continued)**

On March 12, 2013, the legal voters of the Township approved a referendum to provide funds for the construction of additions and renovations at Burnet Hill Elementary School, Collins Elementary School, Harrison Elementary School, Hillside Elementary School and Riker Hill Elementary School and ADA compliance improvements at Livingston High School. The total cost of the project is \$18,200,000 and bonds and notes have been authorized for this amount. In October of 2013, the District issued \$8,500,000 of bonds related to this referendum and the funds provided resources for funding the construction of additions and renovations noted.

In August 2015, the District issued an additional \$8,500,000 of school bonds to provide resources to pay down the \$4,300,000 temporary notes outstanding of the District dated June 25, 2015 and provide \$4,200,000 to finance the construction of additions and renovations at Burnet Hill Elementary School, Collins Elementary School, Harrison Elementary School, Hillside Elementary School and Riker Hill Elementary School and ADA compliance improvements at Livingston High School.

In September 2015, the District issued \$61,010,000 of refunding bonds to provide resources to advance refund all of the outstanding callable principal amount of the originally issued \$8,000,000 school bonds dated June 15, 2006, advance refund all of the outstanding callable principal amount of the originally issued \$43,521,000 school bonds dated October 9, 2007, currently refund all of the outstanding callable principal amount of the originally issued \$28,075,000 school bonds (Build America Bonds-Direct Pay) dated August 10, 2010 and to pay costs of issuance. As a result, \$66,526,000 of refunded bonds are considered defeased and the liability has been removed from the basic financial statements in the 2016 fiscal year. This advance refunding was undertaken to reduce the total debt service payments over the next fifteen years by \$3,571,994 and resulted in a net present value savings of \$2,605,807. At June 30, 2016, \$33,371,000 of defeased debt remains outstanding.

At June 30, 2016, there are bonds and notes authorized but not issued in the amount of \$6,410,849.

Livingston Board of Education

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2016

**5. Long-Term Liabilities (continued)**

Principal and interest due on all bonds outstanding is as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year ending June 30:			
2017	\$ 4,030,000	\$ 3,846,550	\$ 7,876,550
2018	4,560,000	3,624,800	8,184,800
2019	4,635,000	3,482,825	8,117,825
2020	4,820,000	3,325,350	8,145,350
2021	5,010,000	3,161,250	8,171,250
2022-2026	26,510,000	12,529,938	39,039,938
2027-2031	21,660,000	7,355,775	29,015,775
2032-2036	10,645,000	3,132,538	13,777,538
2037-2039	11,270,000	181,625	11,451,625
	<u>\$ 93,140,000</u>	<u>\$ 40,640,651</u>	<u>\$ 133,780,651</u>

Bonds payable at June 30, 2016 are comprised of the following issues:

\$43,521,000, 2007 school bonds are due in annual installments of \$1,250,000 through July 2017 at interest rates ranging from 4.25% to 4.50%.

\$12,405,000, 2010 refunding school bonds are due in annual installments ranging from \$475,000 to \$1,475,000, through July 2022 at interest rates ranging from 3.0% to 4.0%.

\$9,000,000, 2010 school bonds are due in annual installments of \$1,000,000 through July 2020 at interest rates ranging from 2.0% to 2.5%.

\$8,500,000, 2013 school bonds are due in annual installments ranging from \$400,000 to \$700,000 through August 2028 at interest rates ranging from 2% to 3%.

\$8,500,000, 2015 school bonds are due in annual installments ranging from \$400,000 to \$700,000 through August 2030 at interest rates ranging from 2% to 3%.

\$61,010,000, 2016 refunding school bonds are due in annual installments ranging from \$150,000 to \$3,945,000 through July 2037 at interest rates ranging from 2% to 5%.

Livingston Board of Education

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2016

**5. Long-Term Liabilities (continued)**

**Capital Leases Payable**

The District has remaining capital leases totaling \$4,555,541 with interest rates ranging from 1.06% to 1.94%. The terms of the leases are from three to four years. The following is a schedule of the future minimum lease payments under these capital leases, and the present value of the net minimum lease payments at June 30, 2016.

	<u>Amount</u>
Fiscal year:	
2017	\$ 848,815
2018	1,591,655
2019	1,286,865
2020	<u>943,432</u>
Total minimum lease payments	4,670,767
Less amount representing interest	<u>(115,226)</u>
Present value of net minimum lease payments	<u>\$ 4,555,541</u>

Many of the assets acquired through the capital leases are below the capitalization threshold of the District. Assets capitalized through capital leases at June 30, 2016 are as follows:

Machinery, equipment and vehicles	\$ 6,548,444
Less accumulated depreciation	<u>(5,773,017)</u>
Total	<u>\$ 775,427</u>

**6. Pension Plans**

**Description of Systems**

Substantially all of the Board's employees participate in one of the following contributory defined benefit public employee retirement systems which have been established by State statute: the Teachers' Pension and Annuity Fund (TPAF) or the Public Employees' Retirement System (PERS). These systems are sponsored and administered by the State of New Jersey. The Teachers' Pension and Annuity Fund Retirement System is considered a cost-sharing multiple-employer plan, with a special funding situation, as under current statute, all employer contributions are made by the State of New Jersey on behalf of the Board and the system's other related non-contributing employers. The Public Employees' Retirement System is considered a cost-sharing multiple-employer plan.



## Livingston Board of Education

### Notes to the Basic Financial Statements (continued)

Year ended June 30, 2016

#### **6. Pension Plans (continued)**

##### **Teachers' Pension and Annuity Fund**

The Teachers' Pension and Annuity Fund was established in January 1955 under the provisions of N.J.S.A. 18A:66 to provide coverage including post-retirement health care to substantially all full time public school employees in the State. Membership is mandatory for such employees and vesting occurs after 10 years of service for pension benefits and 25 years for health care coverage. Age eligibility and benefit provisions were affected by Chapters 92 and 103, P.L. 2007, Chapter 89, P.L. 2008, Chapter 1, P.L. 2010, and Chapter 78, P.L. 2011. Members are classified into one of five tiers dependent upon the date of their enrollment. Tier 1, 2 and 3 members are eligible to retire at age 60, 60, and 62, respectively, with an annual benefit generally determined to be  $1/55^{\text{th}}$  of the average annual compensation for the highest three fiscal years' compensation for each year of membership during years of credited service. Tier 4 and 5 members are eligible to retire at age 62 and 65, respectively, with an annual benefit generally determined to be  $1/60^{\text{th}}$  of the average annual compensation for the highest five fiscal years' compensation for each year of membership during years of credited service. Anyone who retires early and is under their respective tier's retirement age receives retirement benefits as calculated in the above mentioned formulas but at a reduced rate in accordance with applicable New Jersey Statute based upon their tier.

##### **Public Employee's Retirement System**

The Public Employees' Retirement System was established in January 1955 under the provisions of N.J.S.A. 43:15A to provide coverage including post-retirement health care to substantially all full time employees of the State or any county, municipality, school Board or public agency provided the employee is not a member of another State administered retirement system. Age eligibility and benefit provisions were affected by Chapters 92 and 103, P.L. 2007, Chapter 89, P.L. 2008, Chapter 1, P.L. 2010, and Chapter 78, P.L. 2011. Members are classified into one of five tiers dependent upon the date of their enrollment. Tier 1, 2 and 3 members are eligible to retire at age 60, 60, and 62, respectively with an annual benefit generally determined to be  $1/55^{\text{th}}$  of the average annual compensation for the highest three fiscal years' compensation for each year of membership during years of credited service. Tier 4 and 5 members are eligible to retire at age 62 and 65, respectively with an annual benefit generally determined to be  $1/60^{\text{th}}$  of the average annual compensation for the highest five fiscal years' compensation for each year of membership during years of credited service. Anyone who retires early and is under their respective tier's retirement age receives retirement benefits as calculated in the above mentioned formulas but at a reduced rate in accordance with applicable New Jersey Statute based upon their tier.

## Livingston Board of Education

### Notes to the Basic Financial Statements (continued)

Year ended June 30, 2016

#### **6. Pension Plans (continued)**

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issued publicly available financial reports that include the financial statements and required supplementary information for TPAF and PERS. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey 08625-0295.

#### **Funding Policy**

The contribution policy is set by New Jersey State Statutes and contributions are required by active members and contributing members. Plan member and employer contributions may be amended by State of New Jersey legislation. Under the provisions of Chapter 78, P.L. 2011, employee contribution rates for TPAF and PERS increased from 5.5% to 6.5% of employees' annual compensation. An additional increase is to be phased in annually through July 2018 that will bring the total pension contribution rate to 7.5% of employees' annual compensation. Employers are required to contribute at an actuarially determined rate in both the TPAF and PERS. The actuarially determined contribution includes funding for cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums. Under current statute the Board is a non-contributing employer of the TPAF.

During the year ended June 30, 2016, the State of New Jersey contributed \$7,975,442 to the TPAF for post-retirement medical contributions on behalf of the Board. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$3,532,536 during the year ended June 30, 2016 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. These amounts have been included in the fund financial statements.

The District's actuarially calculated contributions to PERS for each of the years ended June 30, 2016, 2015 and 2014 were \$1,085,888, \$1,039,901 and \$998,774, respectively, equal to the required contributions for each year.

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 PERS and additions to/deductions from PERS fiduciary net position have been determined on the same basis as they are reported by PERS. For the 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.

Livingston Board of Education

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2016

**6. Pension Plans (continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

*Public Employee's Retirement System (PERS)*

At June 30, 2016, the District reported a liability of \$28,353,039 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation July 1, 2014, which was rolled forward to June 30, 2015. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts, actuarially determined. At June 30, 2015, the District's proportion was 0.1263054356 percent, which was an increase of 0.0001628842 from its proportion measured as of June 30, 2014.

For the year ended June 30, 2016, the District recognized full accrual pension expense of \$1,675,179 in the government-wide financial statements. At June 30, 2016, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Changes of assumptions	\$ 3,044,890	
Difference between expected and actual experience	676,404	
Changes in proportion	25,873	
Net difference between projected and actual earnings on pension plan investments		\$ 455,862
Changes in proportion and differences between District contributions and proportionate share of contributions		844,928
District contributions subsequent to the measurement date	1,192,759	
	<u>\$ 4,939,926</u>	<u>\$ 1,300,790</u>

\$1,192,759 is reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Livingston Board of Education

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2016

**6. Pension Plans (continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)**

Year ended June 30:		
2017	\$	409,760
2018		409,760
2019		409,759
2020		761,627
2021		455,471
Thereafter		-
	<u>\$</u>	<u>2,446,377</u>

*Actuarial Assumptions*

The total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation as of July 1, 2014, which was rolled forward to June 30, 2015. This actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

Inflation rate	3.04%
Salary increases	
2012-2021	2.15 - 4.40%
	based on age
Thereafter	3.15 - 5.40%
	based on age
Investment rate of return	7.90%

The actuarial assumptions used in the July 1, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2008 to June 30, 2011.

*Mortality Rates*

Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for males and females) with adjustments for mortality improvements from the base year of 2012 based on Projection Scale AA.

Livingston Board of Education

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2016

**6. Pension Plans (continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)**

*Long-Term Rate of Return*

In accordance with State statute, the long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries.

Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2015 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	1.04%
US Treasuries	1.75%	1.64%
Investment Grade Credit	10.00%	1.79%
Mortgages	2.10%	1.62%
High Yield Bonds	2.00%	4.03%
Inflation-Indexed Bonds	1.50%	3.25%
Broad US Equities	27.25%	8.52%
Developed Foreign Markets	12.00%	6.88%
Emerging Market Equities	6.40%	10.00%
Private Equity	9.25%	12.41%
Hedge Funds / Absolute Return	12.00%	4.72%
Real Estate (Property)	2.00%	6.83%
Commodities	1.00%	5.32%
Global Debt ex US	3.50%	-0.40%
REIT	4.25%	5.12%
	<u>100.00%</u>	

*Discount rate*

The discount rate used to measure the total pension liability was 4.90% as of June 30, 2015. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.90%, and a municipal bond rate of 3.80% as of June 30, 2015 based on the Bond Buyer GO 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

Livingston Board of Education

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2016

**6. Pension Plans (continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)**

The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years of contributions made in relation to the last five years of recommended contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2033. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2033, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

*Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate*

The following presents the District's proportionate share of the net pension liability as of June 30, 2015 calculated using the discount rate as disclosed above as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.90 percent) or 1-percentage-point higher (5.90 percent) than the current rate:

	<b>At 1% Decrease (3.90%)</b>	<b>At Current Discount Rate (4.90%)</b>	<b>At 1% Increase (5.90%)</b>
District's proportionate share of the net pension liability	\$ 35,239,358	\$ 28,353,039	\$ 22,579,599

*Pension Plan Fiduciary Net Position*

Detailed information about the pension plan's fiduciary net position is available in the separately issued financial report for the State of New Jersey Public Employees Retirement System.

## Livingston Board of Education

### Notes to the Basic Financial Statements (continued)

Year ended June 30, 2016

#### 6. Pension Plans (continued)

##### **Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)**

###### *Additional Information*

Collective balances of the local group at June 30, 2015 are as follows:

Deferred outflows of resources	\$	3,578,755,666
Deferred inflows of resources	\$	993,410,455
Net pension liability	\$	22,447,996,119
District's Proportion		0.1263054356%

Collective pension expense for the Local Group for the measurement period ended June 30, 2015 is \$1,481,308,816.

The average of the expected remaining service lives of all employees that are provided with pension through the pension plan (active and inactive employees) determined at June 30, 2015 and 2014 is 5.72 and 6.44 years, respectively.

###### Teachers Pensions and Annuity Fund (TPAF)

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, these local participating employers are 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 local participating employers do 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. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the net pension liability that is associated with the local participating employer.

The State's proportionate share of the TPAF net pension liability associated with the District as of June 30, 2015 was \$289,340,924. The District's proportionate share was \$0.

Livingston Board of Education

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2016

**6. Pension Plans (continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)**

The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2014, which was rolled forward to June 30, 2015. The State's proportionate share of the net pension liability associated with the District was based on a 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, 2015, the State's proportionate share of the TPAF net pension liability associated with the District was 0.4577869858 percent, which was an increase of 0.0260581811 from its proportion measured as of June 30, 2014.

For the year ended June 30, 2016, the District recognized on-behalf pension expense and revenue in the government wide financial statements of \$17,666,868 for contributions incurred by the State.

*Actuarial assumptions*

The actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

Inflation rate	2.50%
Salary increases	
2012-2021	Varies based on experience
Thereafter	Varies based on experience
Investment rate of return	7.90%



Livingston Board of Education

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2016

**6. Pension Plans (continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)**

*Mortality Rates*

Mortality rates were based on the RP-2000 Health Annuitant Mortality Tables for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA. Pre-retirement mortality improvements for active members are projected using Scale AA from the base year of 2000 until the valuation date plus 15 years to account for future mortality improvement. Post-retirement mortality improvements for non-disabled annuitants are projected using Scale AA from the base year of 2000 for males and 2003 for females until the valuation date plus 7 years to account for future mortality improvement. The actuarial assumptions used in the July 1, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2009 to June 30, 2012.

*Long-Term Expected Rate of Return*

In accordance with State statute, the long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2015 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	5.00%	0.53%
US Government Bonds	1.75%	1.39%
US Credit Bonds	13.50%	2.72%
US Mortgages	2.10%	2.54%
US Inflation-Indexed Bonds	1.50%	1.47%
US High Yield Bonds	2.00%	4.57%
US Equity Market	27.25%	5.63%
Foreign-Developed Equity	12.00%	6.22%
Emerging Markets Equity	6.40%	8.46%
Private Real Estate Property	4.25%	3.97%
Timber	1.00%	4.09%
Farmland	1.00%	4.61%
Private Equity	9.25%	9.15%
Commodities	1.00%	3.58%
Hedge Funds - MultiStrategy	4.00%	4.59%
Hedge Funds - Equity Hedge	4.00%	5.68%
Hedge Funds - Distressed	4.00%	4.30%
	100.00%	

Livingston Board of Education

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2016

**6. Pension Plans (continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)**

*Discount Rate*

The discount rate used to measure the total pension liability was 4.13% as of June 30, 2015. This single blended discount rate was based on the long-term rate of return on pension plan investments of 7.90%, and a municipal bond rate of 3.80% as of June 30, 2015 based on the Bond Buyer GO 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2027. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2027, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

*Sensitivity of the State's proportionate share of the net pension liability associated with the District to changes in the discount rate*

The following presents the State's proportionate share of the net pension liability associated with the District as of June 30, 2015 calculated using the discount rate as disclosed above as well as what the State's proportionate share of the net pension liability associated with the District would be if it were calculated using a discount rate that is 1-percentage-point lower (3.13 percent) or 1-percentage-point higher (5.13 percent) than the current rate:

	<b>At 1% Decrease (3.13%)</b>	<b>At Current Discount Rate (4.13%)</b>	<b>At 1% Increase (5.13%)</b>
State's proportionate share of the net pension liability associated with the District	\$ 343,870,873	\$ 289,340,924	\$ 242,360,110

Livingston Board of Education

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2016

**6. Pension Plans (continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)**

*Pension plan fiduciary net position*

Detailed information about the pension plan's fiduciary net position is available in the separately issued TPAF financial report.

**Additional Information**

Collective balances of the local group at June 30, 2015 are as follows:

Deferred outflows of resources	\$	7,522,890,856
Deferred inflows of resources	\$	623,365,110
Net pension liability	\$	63,204,270,305
State's proportionate share associated with the District		0.4577869858%

Collective pension expense for the plan for the measurement period ended June 30, 2015 is \$3,854,529,454.

The average of the expected remaining service lives of all employees that are provided with pension through the pension plan (active and inactive employees) determined at June 30, 2015 and 2014 is 8.3 and 8.5 years, respectively.

**7. Post-Retirement Benefits**

***Plan Description***

The School District contributes to the New Jersey State Health Benefits Program (the "SHBP"), a cost-sharing multiple-employer defined benefit postemployment healthcare plan administered by the State of New Jersey Division of Pension and Benefits. SHBP provide medical, prescription drug, mental health/substance abuse and Medicare Part B reimbursement to retirees and their covered dependents. The State Health Benefits Program Act is found in New Jersey Statutes Annotated, Title 52, Article 17.25 et.seq. Rules governing the operation and administration of the program are found in Title 17,

## Livingston Board of Education

### Notes to the Basic Financial Statements (continued)

Year ended June 30, 2016

#### 7. Post-Retirement Benefits (continued)

##### *Plan Description (continued)*

and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for SHBP. That report may be obtained by writing to Division of Pension and Benefits, PO Box 295, Trenton, NJ 08625-0295.

##### *Funding Policy*

P.L. 1987, c. 384 and P.L. 1990, c. 6 required Teachers' Pension and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c. 103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2015, there were 107,314 retirees receiving post-retirement medical benefits and the State contributed \$1.25 billion on their behalf. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post-retirement medical premiums changed from a pre-funding basis to a pay-as-you-go basis beginning in fiscal year 1994. The State is also responsible for the cost attributable to P.L. 1992, c.126, which provides free health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$214.1 million toward Chapter 126 benefits for 19,056 eligible retired members in fiscal year 2015.

The State will set the contribution rate based on the *annual required contribution of the employers* (ARC), an amount actuarially determined in accordance with parameters of GASB 45. The ARC represents the level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The State's contributions to the SHBP Fund for TPAF retirees' post-retirement benefits on behalf of the District for the years ended June 30, 2016, 2015 and 2014 were \$4,334,891, \$3,929,007 and \$2,994,592, respectively, which equaled the required contributions for each year. The State's contributions to the SHBP Fund for PERS retirees' post-retirement benefits on behalf of the District was not determined or made available by the State of New Jersey.

## Livingston Board of Education

### Notes to the Basic Financial Statements (continued)

Year ended June 30, 2016

#### 8. Interfund Receivables and Payables

The total interfund accounts receivable and payable for the District at June 30, 2016 is as follows:

Fund	Interfund Receivable	Interfund Payable
General Fund	\$ 1,309,465	\$ 3,256,782
Special Revenue Fund		140,862
Capital Projects Fund	3,190,782	1,168,603
Unemployment Compensation Trust	66,000	
	\$ 4,566,247	\$ 4,566,247

The interfund between the capital projects fund and general fund in the amount of \$12,476 represents interest earned in the capital projects fund that has not been turned over at June 30, 2016. New Jersey statutes require that interest earned on the investments in the capital projects fund be credited to the general or debt service fund. The interfund between the capital projects fund and the general fund in the amount of \$1,156,127 relates to funds due back to capital reserve/capital outlay that were not required in the capital projects fund. The interfund between the special revenue fund and the general fund in the amount of \$140,862 represents a repayment of a loan of cash from the general fund to the special revenue fund to fund special revenue expenditures due to the reimbursement basis of federal awards. The interfund between the general fund and the capital projects fund in the amount of \$3,190,782 relates to the payment of the local share of projects committed. The interfund between the general fund and the unemployment compensation trust fund in the amount of \$66,000 is for the payment of board contributions. All interfunds are expected to be liquidated within one year.

#### 9. Economic Dependency

The 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 District's programs and activities.

# Livingston Board of Education

## Notes to the Basic Financial Statements (continued)

Year ended June 30, 2016

### **10. Contingent Liabilities**

The 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 District has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectibility of any related receivable at June 30, 2016 may be impaired. In addition, the District is receiving funding in the form of grants from the New Jersey Schools Development Authority (NJSDA) in connection with capital projects. The costs associated with the funding received from the NJSDA are subject to a final review of eligible costs and compliance by the New Jersey Department of Education and the NJSDA. To the extent that the District has not complied with the rules and regulations governing the NJSDA funds or has not met the final eligible costs requirements, refunds of any money received may be required and the collectibility of any related receivable at June 30, 2016 may be impaired. In the opinion of the District management, there are no significant contingent liabilities relating to compliance with the rules and regulations or final eligible cost requirements governing the respective grants or funding; therefore, no provisions have been recorded in the accompanying basic financial statements for such contingencies.

The District is also involved in several claims and lawsuits incidental to its operations. In the opinion of the administration and legal counsel, the ultimate resolution of these matters will not have a material adverse effect on the financial position of the District.

### **11. Risk Management**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District has obtained insurance coverage to guard against these events which will provide minimum exposure to the District should they occur.

#### **Property and Liability Insurance**

The District maintains commercial insurance coverage for property, liability, student accident and surety bonds and does not retain risk of loss. A complete schedule of insurance coverage can be found in the Statistical Section of this Comprehensive Annual Financial Report. There have been no significant reductions in insurance coverage from the prior year and no settlements have exceeded insurance coverages over the past three years.

Livingston Board of Education

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2016

**11. Risk Management (continued)**

**New Jersey Unemployment Compensation Insurance**

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

The following is a summary of contributions, payments to the State for benefits paid and the ending balance of the District’s unemployment trust fund for the past three years:

<u>Fiscal Year</u>	<u>Contributions</u>	<u>Amount Paid</u>	<u>Ending Balance</u>
2015-16	\$ 166,370	\$ 101,469	\$ 330,547
2014-15	196,743	97,199	265,646
2013-14	162,198	123,963	166,102

**12. Transfers - Reconciliation**

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 12,476	\$ 2,954,550
Capital Projects Fund	2,954,550	12,476
	<u>\$ 2,967,026</u>	<u>\$ 2,967,026</u>

The transfer from the general fund to the capital projects fund represents the local share of NJSDA awards. The transfer from the capital projects fund to the general fund represents interest earned. New Jersey statutes require that interest earned on the investments in the capital projects fund be credited to the general or debt service fund.

Funds placed in the capital reserve account are restricted to capital projects in the District’s Long Range Facilities Plan (LRFP) and updated annually in the Quality Assurance Annual Report (QAAR). Upon submission of the LRFP to the Department of Education, a 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 district may also appropriate additional amounts when the

# Livingston Board of Education

## Notes to the Basic Financial Statements (continued)

Year ended June 30, 2016

### 13. Capital Reserve Account

Capital reserve accounts may be established by New Jersey school districts 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 accounts are restricted to capital projects in the District's Long Range Facilities Plan (LRFP) and updated annually in the Quality Assurance Annual Report (QAAR). Upon submission of the LRFP to the Department of Education, a 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 district may also appropriate additional amounts when the express approval of the voters has been obtained either by separate proposal at budget time or by a special question at one of the four special elections pursuant to N.J.S.A. 19:60-2.

Pursuant to N.J.A.C. 6A: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 account for the July 1, 2015 to June 30, 2016 fiscal year is as follows:

Beginning balance, July 1, 2015	\$ 4,014,900
Interest earnings	6,392
Deposits:	
Approved by June 2016 resolution	1,500,000
Withdrawals:	
Transfer to Capital Projects Fund	<u>2,660,000</u>
Ending balance, June 30, 2016	<u>\$ 2,861,292</u>

During the year ending June 30, 2016, the District transferred \$910,000 from capital reserve to the capital outlay accounts, which was subsequently transferred to the capital projects fund. The transfer was made from the capital reserve account to supplement a capital project previously approved by the voters in the budget certified for taxes pursuant to *N.J.A.C. 6A:23A-8.4*.

The June 30, 2016 capital reserve balance does not exceed local support costs identified in the District's Long Range Facility Plan at June 30, 2016. The District has not budgeted any capital reserve funds for use in the District's 2016-17 fiscal year.



# Livingston Board of Education

## Notes to the Basic Financial Statements (continued)

Year ended June 30, 2016

### 14. Restricted Assets

The District has \$3,184,627 of capital reserve and emergency reserve funds that are classified as restricted assets on the statement of net position because they are restricted by the New Jersey Department of Education codified in Administrative Code to be utilized for future capital projects that have been approved in the District's Long-Range Facility Plan and emergencies.

### 15. Commitments

The District has ongoing construction projects as of June 30, 2016 relating to the approved referendum projects. At June 30, 2016, the District's outstanding construction commitments amounted to \$1,121,237 and is included with the unassigned fund balance of \$5,314,903, and recorded as fund balance restricted for capital projects on the balance sheet in the capital projects fund. This was the result of bonds that were not issued to date for the entire authorized referendum.

The District also has \$136,507 of contracts encumbered that are reported in the balance sheet of the general fund as assigned to other purposes.

### 16. Grant and Bond Anticipation Notes Payable

The District issued a grant anticipation note in the amount of \$5,000,000 (Interest rate of 0.85%). The note was for cash flow needs in the Capital Projects Fund and was renewed on September 1, 2015 and matured on July 19, 2016.

The following presents the changes from the prior year:

Beginning Balance	Increases	Decreases	Ending Balance
\$ 12,300,000	\$5,000,000	\$12,300,000	\$5,000,000

Required Supplementary Information  
Part II

Schedules Related to Accounting and Reporting  
For Pensions

Livingston Board of Education  
 Schedule of the District's Proportionate Share of the Net Pension Liability  
 Public Employees Retirement System

Last Ten Fiscal Years\*

	Year Ended June 30, 2016	Year Ended June 30, 2015	Year Ended June 30, 2014	Year Ended June 30, 2013	Year Ended June 30, 2012	Year Ended June 30, 2011	Year Ended June 30, 2010	Year Ended June 30, 2009	Year Ended June 30, 2008	Year Ended June 30, 2007
District's proportion of the net pension liability (asset) - Local Group	0.1263054356%	0.1261425514%	0.1325548871%	Not available	Not available	Not available	Not available	Not available	Not available	Not available
District's proportionate share of the net pension liability (asset)	\$ 28,353,039	\$ 23,617,336	\$ 25,333,873	Not available	Not available	Not available	Not available	Not available	Not available	Not available
District's covered-employee payroll	\$ 8,637,855	\$ 8,554,915	\$ 8,651,763	\$ 8,831,222	\$ 8,801,531	\$ 10,343,746	\$ 9,914,190	\$ 9,536,122	\$ 9,129,145	\$ 9,129,145
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	328.24%	276.07%	292.82%	Not available	Not available	Not available	Not available	Not available	Not available	Not available
Plan fiduciary net position as a percentage of the total pension liability - Local Group	47.93%	52.08%	48.72%	Not available	Not available	Not available	Not available	Not available	Not available	Not available

The amounts presented for each fiscal year were determined as of the previous fiscal year-end.

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

Livingston Board of Education  
Schedule of District Contributions  
Public Employee's Retirement System

Last Ten Fiscal Years \*

	<u>Year Ended June 30,</u> <u>2016</u>	<u>Year Ended June 30,</u> <u>2015</u>	<u>Year Ended June 30,</u> <u>2014</u>	<u>Year Ended June 30,</u> <u>2013</u>	<u>Year Ended June 30,</u> <u>2012</u>	<u>Year Ended June 30,</u> <u>2011</u>	<u>Year Ended June 30,</u> <u>2010</u>	<u>Year Ended June 30,</u> <u>2009</u>	<u>Year Ended June 30,</u> <u>2008</u>	<u>Year Ended June 30,</u> <u>2007</u>
Contractually required contribution	\$ 1,192,759	\$ 1,085,888	\$ 1,039,901	\$ 998,774	\$ 1,004,737	\$ 1,172,517	\$ 1,124,960	\$ 939,987	\$ 763,526	\$ 565,470
Contributions in relation to the contractually required contribution	(1,192,759)	(1,085,888)	(1,039,901)	(998,774)	(1,004,737)	(1,172,517)	(1,124,960)	(939,987)	(763,526)	(565,470)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 9,354,907	\$ 8,637,855	\$ 8,554,915	\$ 8,651,763	\$ 8,831,222	\$ 8,801,531	\$ 10,343,746	\$ 9,914,190	\$ 9,556,122	\$ 9,128,145
Contributions as a percentage of covered-employee payroll	12.75%	12.57%	12.16%	11.54%	11.38%	13.32%	10.88%	9.48%	7.99%	6.19%

Livingston Board of Education  
 Schedule of the State's Proportionate Share of the Net Pension Liability Associated With the District  
 Teachers' Pension and Annuity Fund  
 Last Ten Fiscal Years\*

	Year Ended June 30, 2016	Year Ended June 30, 2015	Year Ended June 30, 2014	Year Ended June 30, 2013	Year Ended June 30, 2012	Year Ended June 30, 2011	Year Ended June 30, 2010	Year Ended June 30, 2009	Year Ended June 30, 2008	Year Ended June 30, 2007
State's proportion of the net pension liability (asset) associated with the District - Local Group	0.4577869858%	0.4317289047%	0.4492756174%	Not available	Not available	Not available	Not available	Not available	Not available	Not available
District's proportionate share of the net pension liability (asset)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability (asset) associated with the District	\$ 289,340,924	\$ 230,744,995	\$ 227,060,363	Not available	Not available	Not available	Not available	Not available	Not available	Not available
Total proportionate share of the net pension liability (asset) associated with the District	<u>\$ 289,340,924</u>	<u>\$ 230,744,995</u>	<u>\$ 227,060,363</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Plan fiduciary net position as a percentage of the total pension liability	28.71%	33.64%	33.76%	Not available	Not available	Not available	Not available	Not available	Not available	Not available

The amounts presented for each fiscal year were determined as of the previous fiscal year-end.

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

Covered payroll information is not presented since the Teachers' Pension and Annuity Fund is a special funding situation in which the District does not make contributions to this plan.

Livingston Board of Education  
Notes to Required Supplementary Information  
Year ended June 30, 2016

PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Benefit Changes

There were none.

Changes of Assumptions

The discount rate changed from 5.39% as of June 30, 2014 to 4.90% as of June 30, 2015.

TEACHERS PENSION AND ANNUITY FUND

Benefit Changes

There were none.

Changes of Assumptions

The discount rate changed from 4.68% as of June 30, 2014 to 4.13% as of June 30, 2015.

Required Supplementary Information  
Part III

Budgetary Comparison Schedules

Livingston Board of Education  
General Fund

Budgetary Comparison Schedule  
(Budgetary Basis)

Year ended June 30, 2016

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>Revenues</b>					
Local sources:					
Local tax levy	\$ 97,514,537		\$ 97,514,537	\$ 97,514,537	
Tuition	12,500		12,500	75,216	\$ 62,716
Tuition from other LEA's	70,000		70,000	95,168	25,168
Transportation fees from individuals	250,000		250,000	372,107	122,107
Interest on investments	50,000		50,000	34,656	(15,344)
Rental income	450,000		450,000	564,534	114,534
Miscellaneous	80,000		80,000	63,845	(16,155)
Total - local sources	98,427,037		98,427,037	98,720,063	293,026
State sources:					
Extraordinary aid	300,000		300,000	907,478	607,478
On behalf TPAF pension contribution (non-budgeted)				7,975,442	7,975,442
Reimbursed TPAF social security (non-budgeted)				3,532,536	3,532,536
Additional nonpublic transportation aid				22,211	22,211
Transportation aid	211,108		211,108	211,108	
Security aid	91,185		91,185	91,185	
PARCC Readiness Aid	59,680		59,680	59,680	
Per Pupil Growth Aid	59,680		59,680	59,680	
Categorical Special education aid	2,114,543		2,114,543	2,114,543	
Total - state sources	2,836,196		2,836,196	14,973,863	12,137,667
Federal Sources:					
Medicaid Assistance	23,789		23,789	6,593	(17,196)
Medicaid Assistance Settlement				25,162	25,162
Total - federal sources	23,789		23,789	31,755	7,966
Total revenues	101,287,022		101,287,022	113,725,681	12,438,659
<b>Expenditures</b>					
Current expenditures:					
Instruction - regular programs:					
Salaries of teachers:					
Preschool	38,345	\$ 2,605	40,950	40,950	
Kindergarten	1,517,557	(72,014)	1,445,543	1,444,658	885
Grades 1-5	11,078,717	(197,090)	10,881,627	10,881,626	1
Grades 6-8	8,073,028	2,000	8,075,028	8,075,027	1
Grades 9-12	12,415,327	20,000	12,435,327	12,435,325	2
Home instruction:					
Salaries of teachers	150,000	31,079	181,079	179,878	1,201
Purchased professional-educational services	30,000	44,000	74,000	73,605	395
Undistributed instruction:					
Other salaries for instruction	443,834	207,049	650,883	650,883	
Purchased professional-educational services	6,500	950	7,450	7,450	
Purchased technical services	2,040	(840)	1,200	600	600
Other purchased services	344,182	2,807	346,989	339,522	7,467
General supplies	1,324,114	(7,120)	1,316,994	1,218,786	98,208
Textbooks	469,399	(40,596)	428,803	407,726	21,077
Other objects	15,751		15,751	10,436	5,315
Total instruction - regular programs	35,908,794	(7,170)	35,901,624	35,766,472	135,152



Livingston Board of Education  
General Fund

Budgetary Comparison Schedule  
(Budgetary Basis)

Year ended June 30, 2016

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>Expenditures (continued)</b>					
Current expenditures (continued):					
Special education:					
Learning and/or language disabilities:					
Salaries of teachers	\$ 423,313	\$ 66,440	\$ 489,753	\$ 489,752	\$ 1
Other salaries for instruction	2,147,955	219,116	2,367,071	2,365,357	1,714
General supplies	5,000		5,000	4,088	912
Total learning and/or language disabilities	2,576,268	285,556	2,861,824	2,859,197	2,627
Behavioral Disabilities:					
Salaries of Teachers	55,000	(55,000)			
Total behavioral disabilities	55,000	(55,000)			
Resource room/center:					
Salaries of teachers	4,505,557	55,000	4,560,557	4,560,557	
General supplies	80,500		80,500	80,336	164
Total resource room/center	4,586,057	55,000	4,641,057	4,640,893	164
Autism:					
Salaries of teachers	382,218	(15,286)	366,932	366,931	1
Other Salaries for Instruction	514,050	277,149	791,199	791,199	
General supplies	23,000		23,000	19,958	3,042
Total autism	919,268	261,863	1,181,131	1,178,088	3,043
Preschool disabilities - part time					
General supplies		14,000	14,000	11,449	2,551
Total preschool disabilities - part time		14,000	14,000	11,449	2,551
Preschool disabilities - full time					
Salaries of teachers	250,453		250,453	250,452	1
Other salaries for instruction	68,540	14,619	83,159	83,159	
General supplies	14,000	(14,000)			
Total preschool disabilities-full time	332,993	619	333,612	333,611	1
Total special education	8,469,586	562,038	9,031,624	9,023,238	8,386
Bilingual education:					
Salaries of teachers	579,451	37,070	616,521	593,387	23,134
Total bilingual education	579,451	37,070	616,521	593,387	23,134
Basic skills/remedial instruction:					
Salaries of teachers	680,269	37,069	717,338	717,338	
General supplies	4,530	4,512	9,042	7,026	2,016
Total basic skills/remedial instruction	684,799	41,581	726,380	724,364	2,016
Vocational programs - local instruction:					
Salaries of teachers	112,022		112,022	111,772	250
Other purchased services	4,000		4,000		4,000
General supplies	10,000		10,000	9,124	876
Other objects	500		500	500	
Total vocational programs - local instruction	126,522		126,522	121,396	5,126

Livingston Board of Education  
General Fund

Budgetary Comparison Schedule  
(Budgetary Basis)

Year ended June 30, 2016

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>Expenditures (continued)</b>					
Current expenditures (continued):					
School - sponsored cocurricular activities:					
Salaries	\$ 410,000	\$ 1	\$ 410,001	\$ 410,001	
Purchased services	10,265	(1,600)	8,665	8,356	\$ 309
Supplies and materials	27,200		27,200	23,140	4,060
Other objects	13,400		13,400	12,484	916
Total school - sponsored cocurricular activities	460,865	(1,599)	459,266	453,981	5,285
School - sponsored athletics - instruction:					
Salaries	781,280	8,000	789,280	789,279	1
Purchased services	123,895	(697)	123,198	114,166	9,032
Supplies and materials	82,590		82,590	79,023	3,567
Other objects	16,300		16,300	10,850	5,450
Total school - sponsored athletics - instruction	1,004,065	7,303	1,011,368	993,318	18,050
Other instructional programs:					
Purchased services	45,000		45,000	45,000	
Total other instructional programs	45,000		45,000	45,000	
Other supplemental/at-risk programs-instruction:					
Salaries of reading specialists	1,041,644		1,041,644	1,040,017	1,627
Total other supplemental/at-risk programs-instruction	1,041,644		1,041,644	1,040,017	1,627
Total instruction	48,320,726	639,223	48,959,949	48,761,173	198,776
Undistributed expenditures:					
Instruction:					
Tuition to other LEAs within the state-special	1,347,141	(140,661)	1,206,480	1,189,748	16,732
Tuition to private school for the disabled - within state	5,133,678	(34,905)	5,098,773	5,092,807	5,966
Tuition to priv sch for the disabled & oth LEAs-Spl, O/S St	247,787	(39,784)	208,003	194,137	13,866
Total undistributed instruction	6,728,606	(215,350)	6,513,256	6,476,692	36,564
Attendance and social work services:					
Salaries	68,991		68,991	67,821	1,170
Total attendance and social work services	68,991		68,991	67,821	1,170
Health services:					
Salaries	925,696	30,476	956,172	956,172	
Supplies and materials	29,600		29,600	27,150	2,450
Total health services	955,296	30,476	985,772	983,322	2,450

Livingston Board of Education  
General Fund

Budgetary Comparison Schedule  
(Budgetary Basis)

Year ended June 30, 2016

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>Expenditures (continued)</b>					
Current expenditures (continued):					
Undistributed expenditures (continued):					
Speech, OT, PT & related services:					
Salaries	\$ 1,078,812		\$ 1,078,812	\$ 1,066,181	\$ 12,631
Purchased professional - educational services	292,420		292,420	289,862	2,558
Supplies and materials	18,800		18,800	17,307	1,493
Total speech, OT, PT & related services	1,390,032		1,390,032	1,373,350	16,682
Other support services - students - extra services:					
Purchased professional - educational services	780,000	\$ 126,000	906,000	865,017	40,983
Total other support services - students - extra services	780,000	126,000	906,000	865,017	40,983
Guidance:					
Salaries of other professional staff	1,793,673	50,365	1,844,038	1,844,038	
Salaries of secretarial and clerical assistants	230,220	(10,000)	220,220	220,220	
Other purchased professional - technical services	10,406	(2,000)	8,406	7,049	1,357
Other purchased services	3,714	(2,861)	853	533	320
Supplies and materials	82,403	(13,240)	69,163	47,029	22,134
Total guidance	2,120,416	22,264	2,142,680	2,118,869	23,811
Child study teams:					
Salaries of other professional staff	2,502,003		2,502,003	2,502,003	
Salaries of secretarial and clerical assistants	233,239	1,584	234,823	234,823	
Purchased professional - educational services	100,000	30,000	130,000	129,947	53
Other purchased prof. and tech. services	30,000		30,000	30,000	
Miscellaneous purchased serv.	8,000		8,000	7,798	202
Supplies and materials	20,000	380	20,380	19,709	671
Other objects	8,000		8,000	7,996	4
Total child study teams	2,901,242	31,964	2,933,206	2,932,276	930
Improvement of instructional services:					
Salaries of supervisors of instruction	1,350,389	43,925	1,394,314	1,394,313	1
Salaries of other professional staff	364,847	(100,000)	264,847	263,988	859
Salaries of secretaries and clerical assistants	204,838		204,838	204,422	416
Purchased professional - educational services	26,661	(300)	26,361	23,659	2,702
Other purchased services	1,935	(1,935)			
Supplies and materials	31,205	(8,250)	22,955	14,096	8,859
Other objects	7,300		7,300	4,027	3,273
Total improvement of instructional services	1,987,175	(66,560)	1,920,615	1,904,505	16,110

Livingston Board of Education  
General Fund

Budgetary Comparison Schedule  
(Budgetary Basis)

Year ended June 30, 2016

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>Expenditures (continued)</b>					
Current expenditures (continued):					
Undistributed expenditures (continued):					
Educational media services/school library:					
Salaries	\$ 1,073,468	\$ 1,590	\$ 1,075,058	\$ 1,075,058	
Other purchased services	12,054	(2,891)	9,163	4,192	\$ 4,971
Supplies and materials	183,808	(3,000)	180,808	171,544	9,264
Other objects	318		318	318	
Total educational media services/school library	1,269,648	(4,301)	1,265,347	1,251,112	14,235
Instructional staff training services:					
Salaries of supervisors of instruction	352,281		352,281	350,023	2,258
Purchased professional - educational services	20,000	12,251	32,251	11,131	21,120
Other purchased services	31,024	(2,142)	28,882	25,415	3,467
Supplies and materials	20,000	(10,000)	10,000	8,621	1,379
Other objects	8,000		8,000	7,978	22
Total instructional staff training services	431,305	109	431,414	403,168	28,246
Support services-general administration:					
Salaries	408,039	315	408,354	408,354	
Legal services	175,000	10,804	185,804	185,803	1
Audit Fees	60,000	(2,150)	57,850	57,850	
Other purchased prof. services	10,000	(1,078)	8,922	8,922	
Purchased technical services	10,000	(2,000)	8,000	7,944	56
Communications/telephone	300,000	2,580	302,580	302,580	
BOE other purchased services	1,000		1,000	700	300
Miscellaneous purchased services	284,500	391	284,891	241,558	43,333
General supplies	30,000	886	30,886	24,627	6,259
BOE In-house training	5,000		5,000	1,400	3,600
Miscellaneous expenditures	72,000		72,000	70,456	1,544
Total support services-general administration	1,355,539	9,748	1,365,287	1,310,194	55,093
Support services-school administration:					
Salaries of principals/ assistant principals	2,002,303	23,723	2,026,026	2,026,026	
Salaries of other professional staff	456,112		456,112	454,951	1,161
Salaries of secretarial and clerical assistants	1,330,768		1,330,768	1,330,378	390
Purchased professional and technical services	36,500	48,696	85,196	84,312	884
Other purchased services	44,410	9,135	53,545	47,355	6,190
Supplies and materials	416,324	3,218	419,542	385,221	34,321
Total support services-school administration	4,286,417	84,772	4,371,189	4,328,243	42,946
Required maintenance for school facilities:					
Salaries	860,224	31,439	891,663	886,743	4,920
Cleaning, repair and maintenance services	246,200		246,200	232,949	13,251
General supplies	133,500		133,500	128,025	5,475
Total required maintenance for school facilities	1,239,924	31,439	1,271,363	1,247,717	23,646

Livingston Board of Education  
General Fund  
Budgetary Comparison Schedule  
(Budgetary Basis)

Year ended June 30, 2016

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>Expenditures (continued)</b>					
Current expenditures (continued):					
Undistributed expenditures (continued):					
Operation and maintenance of plant services-					
Custodial services:					
Salaries	\$ 2,507,358	\$ 266,112	\$ 2,773,470	\$ 2,773,470	
Purchased professional and technical services	35,000		35,000	34,907	\$ 93
Cleaning, repair and maintenance services	100,000		100,000	95,858	4,142
Rental of land and bldg. other than lease purch. agreements	117,500		117,500	36,404	81,096
Other purchased property services	70,000	32,000	102,000	100,113	1,887
Insurance	475,000		475,000	470,535	4,465
General supplies	325,000	79,959	404,959	380,890	24,069
Energy (Natural Gas and Electricity)	1,750,000	(248,980)	1,501,020	1,348,692	152,328
Total custodial services	5,379,858	129,091	5,508,949	5,240,869	268,080
Operation and maintenance of plant services-					
care and upkeep of grounds:					
Salaries	61,879		61,879	61,879	
Total care and upkeep of grounds	61,879		61,879	61,879	
Security:					
Salaries	181,685	1,315	183,000	183,000	
Total security	181,685	1,315	183,000	183,000	
Total operation and maintenance of plant services	6,863,346	161,845	7,025,191	6,733,465	291,726
Student transportation services:					
Salaries for pupil transportation:					
Between home and school - regular	793,579		793,579	793,578	1
Other than bet. home & sch - regular	300,000	(64,000)	236,000	235,447	553
Contracted services:					
Bet. home & sch. - vendors	6,000	(5,153)	847		847
Other than bet. home & sch - vendors	108,262	62,000	170,262	163,381	6,881
Bet. Home & school -joint agreements	6,000		6,000	2,653	3,347
Special ed stds - vendors	1,400,000	24,107	1,424,107	1,414,680	9,427
Aid in lieu of payments	120,000	(6,847)	113,153	112,842	311
General supplies	250,000	29,961	279,961	274,210	5,751
Other objects	7,000	600	7,600	7,357	243
Total student transportation services	2,990,841	40,668	3,031,509	3,004,148	27,361
Undistributed expenditures - central services					
Salaries	1,070,344		1,070,344	1,066,825	3,519
Purchased professional services	143,500	7,644	151,144	108,241	42,903
Misc purch serv	18,000	3,000	21,000	20,734	266
Supplies and materials	115,000	6,527	121,527	114,916	6,611
Interest for current loans	80,000	3,584	83,584	83,583	1
Interest for lease purchase agreements	9,361		9,361	9,361	
Miscellaneous expenditures	6,000	(600)	5,400	320	5,080
Total central services	1,442,205	20,155	1,462,360	1,403,980	58,380
Admin. info. tech.					
Salaries	809,339	13,784	823,123	823,122	1
Purchased professional services	45,000	(2,330)	42,670	42,666	4
Other purchased services	447,335		447,335	444,392	2,943
Supplies and materials	17,350		17,350	17,216	134
Total admin. info. tech.	1,319,024	11,454	1,330,478	1,327,396	3,082

Livingston Board of Education  
General Fund

Budgetary Comparison Schedule  
(Budgetary Basis)  
Year ended June 30, 2016

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>Expenditures (continued)</b>					
Current expenditures (continued):					
Undistributed expenditures (continued):					
Unallocated benefits - empl benefits:					
Social security contributions	\$ 1,330,000	\$ 59,148	\$ 1,389,148	\$ 1,389,148	
Other retirement contributions - PERS	1,300,000	(114,112)	1,185,888	1,185,888	
Other retirement contributions - Regular		105,811	105,811	105,811	
Worker's compensation	650,000	(79,000)	571,000	570,423	\$ 577
Health benefits	11,789,827	(850,931)	10,938,896	10,900,865	38,031
Unemployment compensation	100,000		100,000	99,679	321
Tuition reimbursement	154,690	2,192	156,882	152,787	4,095
Total unallocated benefits	15,324,517	(876,892)	14,447,625	14,404,601	43,024
On-behalf TPAF pension contribution (non-budgeted)				7,975,442	(7,975,442)
Reimbursed TPAF social security contributions (non-budgeted)				3,532,536	(3,532,536)
Total on-behalf payments				11,507,978	(11,507,978)
Total undistributed expenditures	52,214,600	(623,648)	51,590,952	62,396,137	(10,805,185)
Total expenditures - current	100,535,326	15,575	100,550,901	111,157,310	(10,606,409)
Capital outlay:					
Equipment:					
Regular programs - instruction:					
Grades 6-8	16,740		16,740	10,970	5,770
Grades 9-12	3,370		3,370	3,370	
Non Instructional Services:					
School Buses	60,000	(7,122)	52,878	52,878	
Noninstructional services	10,000		10,000	3,897	6,103
Total equipment	90,110	(7,122)	82,988	71,115	11,873
Facilities acquisition and construction services:					
Lease purchase agreements-principal	308,587		308,587	308,585	2
Construction services	3,298,600	979,921	4,278,521	254,997	4,023,524
Other objects-assessment of debt service	68,734		68,734	68,734	
Total facilities acquisition and construction services	3,675,921	972,799	4,655,842	632,316	4,023,526
Capital leases (unbudgeted)				1,000,000	(1,000,000)
Total expenditures - capital outlay	3,766,031	972,799	4,738,830	1,703,431	3,035,399
Transfer of funds to charter schools	35,665		35,665	30,910	4,755
Total expenditures	104,337,022	988,374	105,325,396	112,891,651	(7,566,255)
(Deficiency) excess of revenues (under) over expenditures	(3,050,000)	(988,374)	(4,038,374)	834,030	4,872,404
Other financing sources (uses):					
Assets acquired under capital leases (non-budgeted)				1,000,000	1,000,000
Capital reserve transfer to capital projects fund	(1,750,000)	(910,000)	(2,660,000)	(2,660,000)	
Capital outlay transfer to capital projects fund		(294,550)	(294,550)	(294,550)	
Capital projects fund transfer to capital outlay				12,476	12,476
Total other financing sources (uses)	(1,750,000)	(1,204,550)	(2,954,550)	(1,942,074)	1,012,476
(Deficiency) excess of revenues (under) over expenditures and other financing sources (uses)	(4,800,000)	(2,192,924)	(6,992,924)	(1,108,044)	5,884,880
Fund balances, July 1	9,347,869		9,347,869	9,347,869	
Fund balances, June 30	\$ 4,547,869	\$ (2,192,924)	\$ 2,354,945	\$ 8,239,825	\$ 5,884,880

Livingston Board of Education  
General Fund

Budgetary Comparison Schedule  
(Budgetary Basis)

Year ended June 30, 2016

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>Recapitulation of (deficiency) excess of revenues (under) over expenditures and other financing sources</b>					
Budgeted fund balance	\$ (3,050,000)		\$ (3,050,000)	\$ 451,962	\$ 3,501,962
Capital outlay transfer to capital projects fund		\$ (1,158,600)	(1,158,600)	(294,550)	864,050
Capital projects fund transfer to capital outlay				12,476	12,476
Budgeted withdrawal from capital reserve	(1,750,000)	(910,000)	(2,660,000)	(2,660,000)	
Increase in capital reserve				1,506,392	1,506,392
Adjustment for prior year encumbrances		(124,324)	(124,324)	(124,324)	
<b>Total</b>	<b>\$ (4,800,000)</b>	<b>\$ (2,192,924)</b>	<b>\$ (6,992,924)</b>	<b>\$ (1,108,044)</b>	<b>\$ 5,884,880</b>
<b>Recapitulation of fund balance:</b>					
<b>Restricted Fund Balance:</b>					
Excess surplus restricted for subsequent years expenditures				\$ 936,922	
Excess surplus - current year				897,076	
Capital reserve				2,861,292	
Emergency reserve				323,335	
<b>Assigned to:</b>					
Designated for subsequent years' expenditures				363,078	
Designated for subsequent years' expenditures - SEMI				25,162	
Year end encumbrances				136,507	
Unassigned fund balance				2,696,453	
				<u>8,239,825</u>	
<b>Reconciliation to Governmental Funds Statements (GAAP):</b>					
Last state aid payments not recognized on GAAP basis				(236,297)	
Solar Renewable Energy Credits (SREC) income				41,699	
Fund balance per Governmental Funds (GAAP)				<u>\$ 8,045,227</u>	

Livingston Board of Education  
Special Revenue Fund

Budgetary Comparison Schedule  
(Budgetary Basis)

Year ended June 30, 2016

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenues:					
State sources	\$ 712,074		\$ 712,074	\$ 652,700	\$ (59,374)
Federal sources	1,614,876		1,614,876	1,612,379	(2,497)
Other sources	26,482	\$ (3,675)	22,807	22,806	(1)
Total revenues	<u>2,353,432</u>	<u>(3,675)</u>	<u>2,349,757</u>	<u>2,287,885</u>	<u>(61,872)</u>
Expenditures:					
Current expenditures:					
Instruction:					
Salaries	587,029		587,029	587,029	
Other purchased services	574,445		574,445	574,445	
Supplies and materials	56,882		56,882	56,795	87
Textbooks	50,077		50,077	49,383	694
Other objects	623,959		623,959	565,366	58,593
Total instruction	<u>1,892,392</u>		<u>1,892,392</u>	<u>1,833,018</u>	<u>59,374</u>
Support services:					
Benefits	28,415		28,415	28,415	
Purchased professional and educational / technical services	406,143		406,143	403,646	2,497
General supplies	26,482	(3,675)	22,807	22,806	1
Total support services	<u>461,040</u>	<u>(3,675)</u>	<u>457,365</u>	<u>454,867</u>	<u>2,498</u>
Facilities acquisition and construction services:					
Instructional equipment		2,800,000	2,800,000	497,407	2,302,593
Total facilities acquisition and construction services		<u>2,800,000</u>	<u>2,800,000</u>	<u>497,407</u>	<u>2,302,593</u>
Total expenditures	<u>2,353,432</u>	<u>2,796,325</u>	<u>5,149,757</u>	<u>2,785,292</u>	<u>2,364,465</u>
(Deficiency) of revenues (under) expenditures	-	(2,800,000)	(2,800,000)	(497,407)	2,302,593
Other financing sources:					
Capital lease proceeds	-	2,800,000	2,800,000	2,800,000	-
Total other financing sources	<u>-</u>	<u>2,800,000</u>	<u>2,800,000</u>	<u>2,800,000</u>	<u>-</u>
Net change in fund balance	-	-	-	2,302,593	2,302,593
Fund balance, July 1	-	-	-	-	-
Fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,302,593</u>	<u>\$ 2,302,593</u>



Livingston Board of Education  
Note to Required Supplementary Information

Budget to GAAP Reconciliation

Year ended June 30, 2016

	<b>General Fund</b>	<b>Special Revenue Fund</b>
<b>Sources/inflows of resources</b>		
Actual amounts (budgetary basis) "revenue" from the Budgetary Comparison Schedule (C-1, C-2)	\$ 113,725,681	\$ 2,287,885
State aid payments recognized for GAAP statements in the current year, not previously recognized.	(236,297)	
The last state aid payments from the prior year are recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expense (GASB 33).	235,977	
Adjustment to record the value of Solar Renewable Energy credits (SREC) income on the modified accrual basis.	41,699	
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds (B-2)	\$ 113,767,060	\$ 2,287,885
<b>Uses/outflows of resources</b>		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule (C-1, C-2)	\$ 112,891,651	\$ 2,785,292
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (B-2)	\$ 112,891,651	\$ 2,785,292

## Supplementary Information

## Special Revenue Fund

Livingston Board of Education  
Special Revenue Fund

Combining Schedule of Program Revenues and Expenditures –  
Budgetary Basis

Year ended June 30, 2016

	Nonpublic Aid					Title I A	Title II A	Title III	Title III	
	Text- books	Tech- nology	Security	Nursing	Auxiliary	Handicapped	Current	Current	Current	Immigrant Current
Revenues:										
State sources	\$ 49,383	\$ 37,951	\$ 35,761	\$ 134,550	\$ 48,404	\$ 346,651				
Federal sources							\$ 137,415	\$ 69,846	\$ 22,386	\$ 9,658
Local sources										
Total revenues	<u>\$ 49,383</u>	<u>\$ 37,951</u>	<u>\$ 35,761</u>	<u>\$ 134,550</u>	<u>\$ 48,404</u>	<u>\$ 346,651</u>	<u>\$ 137,415</u>	<u>\$ 69,846</u>	<u>\$ 22,386</u>	<u>\$ 9,658</u>
Expenditures:										
Instruction:										
Salaries							\$ 109,000			
Other purchased services										
Supplies and materials		\$ 37,951							\$ 9,186	\$ 9,658
Textbooks	\$ 49,383									
Other objects			\$ 35,761	\$ 134,550	\$ 48,404	\$ 346,651				
Total instruction	<u>49,383</u>	<u>37,951</u>	<u>35,761</u>	<u>134,550</u>	<u>48,404</u>	<u>346,651</u>	<u>109,000</u>		<u>9,186</u>	<u>9,658</u>
Undistributed:										
Support services:										
Benefits							28,415			
Purchased professional and educational/ technical services								\$ 69,846	13,200	
General supplies										
Total support services							<u>28,415</u>	<u>69,846</u>	<u>13,200</u>	
Facilities acquisition and construction services:										
Instructional equipment										
Total facilities acquisition and construction services										
Total expenditures	<u>49,383</u>	<u>37,951</u>	<u>35,761</u>	<u>134,550</u>	<u>48,404</u>	<u>346,651</u>	<u>137,415</u>	<u>69,846</u>	<u>22,386</u>	<u>9,658</u>
Other financing sources:										
Capital lease proceeds										
Total other financing sources										
Net changes in fund balance	-	-	-	-	-	-	-	-	-	-
Fund balance, July 1	-	-	-	-	-	-	-	-	-	-
Fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Livingston Board of Education  
Special Revenue Fund

Combining Schedule of Program Revenues and Expenditures –  
Budgetary Basis

Year ended June 30, 2016

	Part B Basic	IDEA Part B Basic	Preschool Current	Race to the Top	NJSBAIG Grant Current	LEF Grant Current	2015-2016 Capital Lease TD Equipment Financing	Totals
Revenues:								
State sources								\$ 652,700
Federal sources	\$ 914	\$ 1,312,950	\$ 53,537	\$ 5,673				1,612,379
Local sources					\$ 21,482	\$ 1,324		22,806
Total revenues	<u>\$ 914</u>	<u>\$ 1,312,950</u>	<u>\$ 53,537</u>	<u>\$ 5,673</u>	<u>\$ 21,482</u>	<u>\$ 1,324</u>		<u>\$ 2,287,885</u>
Expenditures:								
Instruction:								
Salaries		\$ 443,759	\$ 34,270					\$ 587,029
Other purchased services		574,445						574,445
Supplies and materials								56,795
Textbooks								49,383
Other objects								565,366
Total instruction		<u>1,018,204</u>	<u>34,270</u>					<u>1,833,018</u>
Undistributed:								
Support services:								
Health benefits								28,415
Purchased professional and educational/ technical services	\$ 914	294,746	19,267	\$ 5,673				403,646
General supplies					\$ 21,482	\$ 1,324		22,806
Total support services	<u>914</u>	<u>294,746</u>	<u>19,267</u>	<u>5,673</u>	<u>21,482</u>	<u>1,324</u>		<u>454,867</u>
Facilities acquisition and construction services:								
Instructional equipment							\$ 497,407	497,407
Total facilities acquisition and construction services							<u>497,407</u>	<u>497,407</u>
Total expenditures	<u>914</u>	<u>1,312,950</u>	<u>53,537</u>	<u>5,673</u>	<u>21,482</u>	<u>1,324</u>	<u>497,407</u>	<u>2,785,292</u>
Other financing sources:								
Capital lease proceeds							2,800,000	2,800,000
Total other financing sources							<u>2,800,000</u>	<u>2,800,000</u>
Net changes in fund balance	-	-	-	-	-	-	2,302,593	2,302,593
Fund balance, July 1	-	-	-	-	-	-	-	-
Fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,302,593</u>	<u>\$ 2,302,593</u>

## Capital Projects Fund

Livingston Board of Education  
Capital Projects Fund  
Summary Schedule of Project Revenues, Expenditures,  
Project Balance and Project Status  
(Budgetary Basis)  
Year ended June 30, 2016

	<b>Current Year</b>
<b>Revenues and other financing sources</b>	
Interest on investments	\$ 12,476
State Sources-SDA Grant	1,336,295
Bond Proceeds	8,500,000
Transfer from Capital Reserve	2,660,000
Transfer from Capital Outlay	294,550
Total revenues	12,803,321
<b>Expenditures</b>	
Purchased professional and technical services	374,987
Construction services	3,145,118
Total expenditures	3,520,105
Excess of revenues over expenditures	9,283,216
Other financing uses:	
Transfers out	(12,476)
Total other financing uses:	(12,476)
Fund Balance, July 1	2,469,679
Fund Balance, June 30	\$ 11,740,419
 <u>Reconciliation of budgetary basis to GAAP basis:</u>	
Fund balance, budgetary basis, June 30, 2016	\$ 11,740,419
Less: Revenue not recognized on a GAAP basis	(5,304,279)
Fund balance, GAAP basis, June 30, 2016	\$ 6,436,140

Livingston Board of Education  
Capital Projects Fund

Schedule of Project Revenues, Expenditures, Project Balance and Project Status  
(Budgetary Basis)

From Inception and for the year ended June 30, 2016

	Prior Periods	Current Year	Totals	Revised Authorized Cost
<b>Revenues and other financing sources</b>				
State Sources - SDA Grant	\$ 22,522,516	\$ 1,336,295	\$ 23,858,811	\$ 23,858,811
Bond proceeds and transfers	97,096,000	8,500,000	105,596,000	112,006,849
Transfer from capital reserve		2,660,000	2,660,000	2,660,000
Transfer from capital outlay	185,832	294,550	480,382	480,382
Total revenues	<u>119,804,348</u>	<u>12,790,845</u>	<u>132,595,193</u>	<u>\$ 139,006,042</u>
<b>Expenditures and other financing uses</b>				
Purchased professional and technical services	9,878,035	374,987	10,253,022	
Land and improvements				
Construction services	107,169,427	3,145,118	110,314,545	
Equipment				
Transfers out	68,496		68,496	
Bond issuance costs	218,711		218,711	
Total expenditures and other financing uses	<u>117,334,669</u>	<u>3,520,105</u>	<u>120,854,774</u>	
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 2,469,679</u>	<u>\$ 9,270,740</u>	<u>\$ 11,740,419</u>	
<b>Referendums</b>				
Bonds Authorized	\$ 112,006,849			
Bonds Issued	105,596,000			
Original Authorized Cost	\$ 139,006,042			
Additional Authorized Cost				
Revised Authorized Cost	\$ 139,006,042			



Livingston Board of Education  
Capital Projects Fund  
Schedule of Project Revenues, Expenditures, Project Balance and Project Status  
(Budgetary Basis)

High School Renovation

From Inception and for the year ended June 30, 2016

	Prior Periods	Current Year	Totals	Revised Authorized Cost
<b>Revenues and other financing sources</b>				
State Sources - SDA Grant				
Bond proceeds and transfers	\$ 51,521,000		\$ 51,521,000	\$ 51,521,000
Contribution from private sources				
Transfer from capital reserve				
Transfer from capital outlay				
Total revenues	<u>51,521,000</u>	<u>-</u>	<u>51,521,000</u>	<u>\$ 51,521,000</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased professional and technical services	3,162,999		3,162,999	
Land and improvements				
Construction services	48,210,118		48,210,118	
Equipment				
Transfers out	68,496		68,496	
Bond issuance costs	68,613		68,613	
Total expenditures and other financing uses	<u>51,510,226</u>	<u>-</u>	<u>51,510,226</u>	
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 10,774</u>	<u>\$ -</u>	<u>\$ 10,774</u>	
<b>Additional project information</b>				
Project number		None		
Grant date		None		
Bond authorization date		June 2005		
Bonds Authorized	\$ 51,521,000			
Bonds Issued	51,521,000			
Original Authorized Cost	\$ 51,521,000			
Additional Authorized Cost	-			
Revised Authorized Cost	\$ 51,521,000			
<b>Percentage Increase over Original</b>				
Authorized Cost		0.00%		
Percentage completion		100.00%		
Original target completion date		1/1/2009		
Revised target completion date		Complete		

Livingston Board of Education  
Capital Projects Fund

Schedule of Project Revenues, Expenditures, Project Balance and Project Status  
(Budgetary Basis)

Burnet Hill Facility Upgrades

From Inception and for the year ended June 30, 2016

	Prior Periods	Current Year	Totals	Revised Authorized Cost
<b>Revenues and other financing sources</b>				
State Sources - SDA Grant	\$ 1,675,906		\$ 1,675,906	\$ 1,675,906
Bond proceeds and transfers	2,196,238		2,196,238	2,506,153
Contribution from private sources				
Transfer from capital reserve				
Transfer from capital outlay				
Total revenues	3,872,144	-	3,872,144	\$ 4,182,059
<b>Expenditures and Other Financing Uses</b>				
Purchased professional and technical services	388,204		388,204	
Land and improvements				
Construction services	3,214,196		3,214,196	
Equipment				
Transfers out				
Bond issuance costs	10,744		10,744	
Total expenditures and other financing uses	3,613,144	-	3,613,144	
Excess (deficiency) of revenues over (under) expenditures	\$ 259,000	\$ -	\$ 259,000	
<b>Additional project information</b>				
Project number	2730-070-09-1001			
Grant date	1/29/2010			
Bond authorization date	12/14/2009			
Bonds Authorized	\$ 2,507,792			
Bonds Issued	2,197,877			
Original Authorized Cost	\$ 4,189,766			
Additional Authorized Cost	(7,707)			
Revised Authorized Cost	\$ 4,182,059			
<b>Percentage Increase over Original</b>				
Authorized Cost	0.00%			
Percentage completion	100.00%			
Original target completion date	10/15/2012			
Revised target completion date	Complete			

Livingston Board of Education  
Capital Projects Fund

Schedule of Project Revenues, Expenditures, Project Balance and Project Status  
(Budgetary Basis)

Burnet Hill Solar Panels

From Inception and for the year ended June 30, 2016

	Prior Periods	Current Year	Totals	Revised Authorized Cost
<b>Revenues and other financing sources</b>				
State Sources - SDA Grant				
Bond proceeds and transfers	\$ 805,856		\$ 805,856	\$ 932,250
Contribution from private sources				
Transfer from capital reserve				
Transfer from capital outlay				
Total revenues	<u>805,856</u>	<u>-</u>	<u>805,856</u>	<u>\$ 932,250</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased professional and technical services	52,922		52,922	
Land and improvements				
Construction services	440,101		440,101	
Equipment				
Transfers out				
Bond issuance costs				
Total expenditures and other financing uses	<u>493,023</u>	<u>-</u>	<u>493,023</u>	
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 312,833</u>	<u>\$ -</u>	<u>\$ 312,833</u>	
<b>Additional project information</b>				
Project number	2730-070-10-1000			
Grant date	None			
Bond authorization date	12/14/2009			
Bonds Authorized	\$ 932,250			
Bonds Issued	805,856			
Original Authorized Cost	\$ 932,250			
Additional Authorized Cost	-			
Revised Authorized Cost	\$ 932,250			
Percentage Increase over Original				
Authorized Cost	0.00%			
Percentage completion	100.00%			
Original target completion date	2/17/2011			
Revised target completion date	Complete			

Livingston Board of Education  
Capital Projects Fund  
Schedule of Project Revenues, Expenditures, Project Balance and Project Status  
(Budgetary Basis)  
Collins Facility Upgrades  
From Inception and for the year ended June 30, 2016

	Prior Periods	Current Year	Totals	Revised Authorized Cost
<b>Revenues and other financing sources</b>				
State Sources - SDA Grant	\$ 2,218,910		\$ 2,218,910	\$ 2,218,910
Bond proceeds and transfers	2,928,895		2,928,895	3,328,364
Contribution from private sources				
Transfer from capital reserve				
Transfer from capital outlay				
Total revenues	<u>5,147,805</u>	<u>-</u>	<u>5,147,805</u>	<u>\$ 5,547,274</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased professional and technical services	360,701		360,701	
Land and improvements				
Construction services	4,227,920		4,227,920	
Equipment				
Transfers out				
Bond issuance costs	10,744		10,744	
Total expenditures and other financing uses	<u>4,599,365</u>	<u>-</u>	<u>4,599,365</u>	
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 548,440</u>	<u>\$ -</u>	<u>\$ 548,440</u>	
<b>Additional project information</b>				
Project number	2730-080-09-1002			
Grant date	1/29/2010			
Bond authorization date	12/14/2009			
Bonds Authorized	\$ 3,328,364			
Bonds Issued	2,928,895			
Original Authorized Cost	\$ 5,547,274			
Additional Authorized Cost	-			
Revised Authorized Cost	\$ 5,547,274			
Percentage Increase over Original				
Authorized Cost	0.00%			
Percentage completion	100.00%			
Original target completion date	10/15/2012			
Revised target completion date	Complete			

Livingston Board of Education  
Capital Projects Fund  
Schedule of Project Revenues, Expenditures, Project Balance and Project Status  
(Budgetary Basis)

Collins Air Conditioning Installation

From Inception and for the year ended June 30, 2016

	Prior Periods	Current Year	Totals	Revised Authorized Cost
<b>Revenues and other financing sources</b>				
State Sources - SDA Grant	\$ 85,781		\$ 85,781	\$ 85,781
Bond proceeds and transfers	113,230		113,230	128,672
Contribution from private sources				
Transfer from capital reserve				
Transfer from capital outlay				
Total revenues	199,011	-	199,011	\$ 214,453
<b>Expenditures and Other Financing Uses</b>				
Purchased professional and technical services				
Land and improvements				
Construction services	171,168		171,168	
Equipment				
Transfers out				
Bond issuance costs				
Total expenditures and other financing uses	171,168	-	171,168	
Excess (deficiency) of revenues over (under) expenditures	\$ 27,843	\$ -	\$ 27,843	
<b>Additional project information</b>				
Project number	2730-080-09-1011			
Grant date	1/29/2010			
Bond authorization date	12/14/2009			
Bonds Authorized	\$ 128,672			
Bonds Issued	113,230			
Original Authorized Cost	\$ 214,453			
Additional Authorized Cost	-			
Revised Authorized Cost	\$ 214,453			
Percentage Increase over Original				
Authorized Cost	0.00%			
Percentage completion	100.00%			
Original target completion date	10/15/2012			
Revised target completion date	Complete			

Livingston Board of Education  
Capital Projects Fund  
Schedule of Project Revenues, Expenditures, Project Balance and Project Status  
(Budgetary Basis)

Collins Solar Panels

From Inception and for the year ended June 30, 2016

	Prior Periods	Current Year	Totals	Revised Authorized Cost
<b>Revenues and other financing sources</b>				
State Sources - SDA Grant				
Bond proceeds and transfers	\$ 860,098		\$ 860,098	\$ 995,000
Contribution from private sources				
Transfer from capital reserve				
Transfer from capital outlay				
Total revenues	<u>860,098</u>	<u>-</u>	<u>860,098</u>	<u>\$ 995,000</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased professional and technical services	54,238		54,238	
Land and improvements				
Construction services	631,084		631,084	
Equipment				
Transfers out				
Bond issuance costs				
Total expenditures and other financing uses	<u>685,322</u>	<u>-</u>	<u>685,322</u>	
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 174,776</u>	<u>\$ -</u>	<u>\$ 174,776</u>	
<b>Additional project information</b>				
Project number	2730-080-10-1000			
Grant date	None			
Bond authorization date	12/14/2009			
Bonds Authorized	\$ 995,000			
Bonds Issued	860,098			
Original Authorized Cost	\$ 995,000			
Additional Authorized Cost	-			
Revised Authorized Cost	\$ 995,000			
Percentage Increase over Original				
Authorized Cost	0.00%			
Percentage completion	100.00%			
Original target completion date	2/17/2011			
Revised target completion date	Complete			

Livingston Board of Education  
Capital Projects Fund  
Schedule of Project Revenues, Expenditures, Project Balance and Project Status  
(Budgetary Basis)

Harrison Facility Upgrades

From Inception and for the year ended June 30, 2016

	Prior Periods	Current Year	Totals	Revised Authorized Cost
<b>Revenues and other financing sources</b>				
State Sources - SDA Grant	\$ 4,037,727	\$ (633,405)	\$ 3,404,322	\$ 3,404,322
Bond proceeds and transfers	5,329,680		5,329,680	6,056,591
Contribution from private sources				
Transfer from capital reserve				
Transfer from capital outlay				
Total revenues	<u>9,367,407</u>	<u>(633,405)</u>	<u>8,734,002</u>	<u>\$ 9,460,913</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased professional and technical services	749,641		749,641	
Land and improvements				
Construction services	6,570,435		6,570,435	
Equipment				
Transfers out				
Bond issuance costs	10,844		10,844	
Total expenditures and other financing uses	<u>7,330,920</u>	<u>-</u>	<u>7,330,920</u>	
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 2,036,487</u>	<u>\$ (633,405)</u>	<u>\$ 1,403,082</u>	
<b>Additional project information</b>				
Project number	2730-090-09-1003			
Grant date	1/29/2010			
Bond authorization date	12/14/2009			
Bonds Authorized	\$ 6,056,591			
Bonds Issued	5,329,680			
Original Authorized Cost	\$ 10,094,318			
Additional Authorized Cost	(633,405)			
Revised Authorized Cost	\$ 9,460,913			
Percentage Increase over Original				
Authorized Cost	0.00%			
Percentage completion	100.00%			
Original target completion date	10/15/2012			
Revised target completion date	Complete			

Livingston Board of Education  
Capital Projects Fund

Schedule of Project Revenues, Expenditures, Project Balance and Project Status  
(Budgetary Basis)

Harrison Air Conditioning Installation

From Inception and for the year ended June 30, 2016

	Prior Periods	Current Year	Totals	Revised Authorized Cost
<b>Revenues and other financing sources</b>				
State Sources - SDA Grant	\$ 151,938		\$ 151,938	\$ 151,938
Bond proceeds and transfers	200,555		200,555	227,908
Contribution from private sources				
Transfer from capital reserve				
Transfer from capital outlay				
Total revenues	352,493	-	352,493	\$ 379,846
<b>Expenditures and Other Financing Uses</b>				
Purchased professional and technical services				
Land and improvements				
Construction services	347,337		347,337	
Equipment				
Transfers out				
Bond issuance costs				
Total expenditures and other financing uses	347,337	-	347,337	
Excess (deficiency) of revenues over (under) expenditures	\$ 5,156	\$ -	\$ 5,156	
<b>Additional project information</b>				
Project number	2730-090-09-1012			
Grant date	1/29/2010			
Bond authorization date	12/14/2009			
Bonds Authorized	\$ 227,908			
Bonds Issued	200,555			
Original Authorized Cost	\$ 379,846			
Additional Authorized Cost	-			
Revised Authorized Cost	\$ 379,846			
Percentage Increase over Original				
Authorized Cost	0.00%			
Percentage completion	100.00%			
Original target completion date	10/15/2012			
Revised target completion date	Complete			



Livingston Board of Education  
Capital Projects Fund

Schedule of Project Revenues, Expenditures, Project Balance and Project Status  
(Budgetary Basis)

Hillside Facility Upgrades

From Inception and for the year ended June 30, 2016

	Prior Periods	Current Year	Totals	Revised Authorized Cost
<b>Revenues and other financing sources</b>				
State Sources - SDA Grant	\$ 1,986,748		\$ 1,986,748	\$ 1,986,748
Bond proceeds and transfers	2,593,472		2,593,472	2,951,146
Contribution from private sources				
Transfer from capital reserve				
Transfer from capital outlay				
Total revenues	<u>4,580,220</u>	<u>-</u>	<u>4,580,220</u>	<u>\$ 4,937,894</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased professional and technical services	330,822		330,822	
Land and improvements				
Construction services	3,764,094		3,764,094	
Equipment				
Transfers out				
Bond issuance costs	10,844		10,844	
Total expenditures and other financing uses	<u>4,105,760</u>	<u>-</u>	<u>4,105,760</u>	
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 474,460</u>	<u>\$ -</u>	<u>\$ 474,460</u>	
<b>Additional project information</b>				
Project number	2730-100-09-1004			
Grant date	1/29/2010			
Bond authorization date	12/14/2009			
Bonds Authorized	\$ 2,951,146			
Bonds Issued	2,596,087			
Original Authorized Cost	\$ 4,967,140			
Additional Authorized Cost	(29,246)			
Revised Authorized Cost	\$ 4,937,894			
<b>Percentage Increase over Original</b>				
Authorized Cost	0.00%			
Percentage completion	100.00%			
Original target completion date	10/15/2012			
Revised target completion date	Complete			

Livingston Board of Education  
Capital Projects Fund

Schedule of Project Revenues, Expenditures, Project Balance and Project Status  
(Budgetary Basis)

Mt. Pleasant Elementary Facility Upgrades

From Inception and for the year ended June 30, 2016

	Prior Periods	Current Year	Totals	Revised Authorized Cost
<b>Revenues and other financing sources</b>				
State Sources - SDA Grant	\$ 1,529,482		\$ 1,529,482	\$ 1,529,482
Bond proceeds and transfers	2,018,871		2,018,871	2,294,224
Contribution from private sources				
Transfer from capital reserve				
Transfer from capital outlay				
Total revenues	<u>3,548,353</u>	<u>-</u>	<u>3,548,353</u>	<u>\$ 3,823,706</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased professional and technical services	251,987		251,987	
Land and improvements				
Construction services	2,625,449		2,625,449	
Equipment				
Transfers out				
Bond issuance costs	10,744		10,744	
Total expenditures and other financing uses	<u>2,888,180</u>	<u>-</u>	<u>2,888,180</u>	
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 660,173</u>	<u>\$ -</u>	<u>\$ 660,173</u>	
<b>Additional project information</b>				
Project number	2730-110-09-1005			
Grant date	1/29/2010			
Bond authorization date	12/14/2009			
Bonds Authorized	\$ 2,294,224			
Bonds Issued	2,018,871			
Original Authorized Cost	\$ 3,823,706			
Additional Authorized Cost	-			
Revised Authorized Cost	\$ 3,823,706			
Percentage Increase over Original				
Authorized Cost	0.00%			
Percentage completion	100.00%			
Original target completion date	10/15/2012			
Revised target completion date	Complete			

Livingston Board of Education  
Capital Projects Fund

Schedule of Project Revenues, Expenditures, Project Balance and Project Status  
(Budgetary Basis)

Mt. Pleasant Elementary Air Conditioning Installation

From Inception and for the year ended June 30, 2016

	Prior Periods	Current Year	Totals	Revised Authorized Cost
<b>Revenues and other financing sources</b>				
State Sources - SDA Grant	\$ 56,495		\$ 56,495	\$ 56,495
Bond proceeds and transfers	74,572		74,572	84,742
Contribution from private sources				
Transfer from capital reserve				
Transfer from capital outlay				
Total revenues	131,067	-	131,067	\$ 141,237
<b>Expenditures and Other Financing Uses</b>				
Purchased professional and technical services				
Land and improvements				
Construction services	129,349		129,349	
Equipment				
Transfers out				
Bond issuance costs				
Total expenditures and other financing uses	129,349	-	129,349	
Excess (deficiency) of revenues over (under) expenditures	\$ 1,718	\$ -	\$ 1,718	
<b>Additional project information</b>				
Project number	2730-110-09-1016			
Grant date	1/29/2010			
Bond authorization date	12/14/2009			
Bonds Authorized	\$ 84,742			
Bonds Issued	74,572			
Original Authorized Cost	\$ 141,237			
Additional Authorized Cost	-			
Revised Authorized Cost	\$ 141,237			
<b>Percentage Increase over Original</b>				
Authorized Cost	0.00%			
Percentage completion	100.00%			
Original target completion date	10/15/2012			
Revised target completion date	Complete			

Livingston Board of Education  
Capital Projects Fund  
Schedule of Project Revenues, Expenditures, Project Balance and Project Status  
(Budgetary Basis)

Mt. Pleasant Elementary Solar Panels

From Inception and for the year ended June 30, 2016

	Prior Periods	Current Year	Totals	Revised Authorized Cost
<b>Revenues and other financing sources</b>				
State Sources - SDA Grant				
Bond proceeds and transfers	\$ 913,692		\$ 913,692	\$ 1,057,000
Contribution from private sources				
Transfer from capital reserve				
Transfer from capital outlay				
Total revenues	<u>913,692</u>	<u>-</u>	<u>913,692</u>	<u>\$ 1,057,000</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased professional and technical services	59,335		59,335	
Land and improvements				
Construction services	617,795		617,795	
Equipment				
Transfers out				
Bond issuance costs				
Total expenditures and other financing uses	<u>677,130</u>	<u>-</u>	<u>677,130</u>	
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 236,562</u>	<u>\$ -</u>	<u>\$ 236,562</u>	
<b>Additional project information</b>				
Project number	2730-110-10-2000			
Grant date	None			
Bond authorization date	12/14/2009			
Bonds Authorized	\$ 1,057,000			
Bonds Issued	913,692			
Original Authorized Cost	\$ 1,057,000			
Additional Authorized Cost	-			
Revised Authorized Cost	\$ 1,057,000			
Percentage Increase over Original				
Authorized Cost	0.00%			
Percentage completion	100.00%			
Original target completion date	2/17/2011			
Revised target completion date	Complete			

Livingston Board of Education  
Capital Projects Fund

Schedule of Project Revenues, Expenditures, Project Balance and Project Status  
(Budgetary Basis)

Mt. Pleasant Middle Facility Upgrades

From Inception and for the year ended June 30, 2016

	Prior Periods	Current Year	Totals	Revised Authorized Cost
<b>Revenues and other financing sources</b>				
State Sources - SDA Grant	\$ 2,389,912		\$ 2,389,912	\$ 2,389,912
Bond Proceeds and transfers	3,154,612		3,154,612	3,584,867
Contribution from Private sources				
Transfer from capital reserve				
Transfer from capital outlay				
Total revenues	<u>5,544,524</u>	<u>-</u>	<u>5,544,524</u>	<u>\$ 5,974,779</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased professional and technical services	410,527		410,527	
Land and improvements				
Construction services	4,718,928		4,718,928	
Equipment				
Transfers Out				
Bond issuance costs	10,844		10,844	
Total expenditures and other financing uses	<u>5,140,299</u>	<u>-</u>	<u>5,140,299</u>	
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 404,225</u>	<u>\$ -</u>	<u>\$ 404,225</u>	
Additional project information				
Project number	2730-060-09-2007			
Grant date	1/29/2010			
Bond authorization date	12/14/2009			
Bonds Authorized	\$ 3,584,867			
Bonds Issued	3,154,612			
Original Authorized Cost	\$ 5,974,779			
Additional Authorized Cost	-			
Revised Authorized Cost	\$ 5,974,779			
Percentage Increase over Original				
Authorized Cost	0.00%			
Percentage completion	100.00%			
Original target completion date	10/15/2012			
Revised target completion date	Complete			

Livingston Board of Education  
Capital Projects Fund

Schedule of Project Revenues, Expenditures, Project Balance and Project Status  
(Budgetary Basis)

Mt. Pleasant Middle HVAC

From Inception and for the year ended June 30, 2016

	Prior Periods	Current Year	Totals	Revised Authorized Cost
<b>Revenues and other financing sources</b>				
State Sources - SDA Grant	\$ 102,247		\$ 102,247	\$ 102,247
Bond Proceeds and transfers	134,964		134,964	153,371
Contribution from Private sources				
Transfer from capital reserve				
Transfer from capital outlay				
Total revenues	<u>237,211</u>	<u>-</u>	<u>237,211</u>	<u><u>\$ 255,618</u></u>
<b>Expenditures and Other Financing Uses</b>				
Purchased professional and technical services				
Land and improvements				
Construction services	230,449		230,449	
Equipment				
Transfers Out				
Bond issuance costs				
Total expenditures and other financing uses	<u>230,449</u>	<u>-</u>	<u>230,449</u>	
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 6,762</u>	<u>\$ -</u>	<u>\$ 6,762</u>	
<b>Additional project information</b>				
Project number	2730-060-09-2014			
Grant date	1/29/2010			
Bond authorization date	12/14/2009			
Bonds Authorized	\$ 153,371			
Bonds Issued	134,964			
Original Authorized Cost	\$ 255,618			
Additional Authorized Cost	-			
Revised Authorized Cost	\$ 255,618			
Percentage Increase over Original Authorized Cost	0.00%			
Percentage completion	100.00%			
Original target completion date	10/15/2012			
Revised target completion date	Complete			

Livingston Board of Education  
Capital Projects Fund

Schedule of Project Revenues, Expenditures, Project Balance and Project Status  
(Budgetary Basis)

Mt. Pleasant Middle Solar Panels

From Inception and for the year ended June 30, 2016

	Prior Periods	Current Year	Totals	Revised Authorized Cost
<b>Revenues and other financing sources</b>				
State Sources - SDA Grant				
Bond Proceeds and transfers	\$ 750,317		\$ 750,317	\$ 868,000
Contribution from Private sources				
Transfer from capital reserve				
Transfer from capital outlay				
Total revenues	<u>750,317</u>	<u>-</u>	<u>750,317</u>	<u><u>\$ 868,000</u></u>
<b>Expenditures and Other Financing Uses</b>				
Purchased professional and technical services	48,033		48,033	
Land and improvements				
Construction services	555,998		555,998	
Equipment				
Transfers Out				
Bond issuance costs				
Total expenditures and other financing uses	<u>604,031</u>	<u>-</u>	<u>604,031</u>	
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 146,286</u>	<u>\$ -</u>	<u>\$ 146,286</u>	
<b>Additional project information</b>				
Project number	2730-060-10-2000			
Grant date	None			
Bond authorization date	12/14/2009			
Bonds Authorized	\$ 868,000			
Bonds Issued	750,317			
Original Authorized Cost	\$ 868,000			
Additional Authorized Cost	-			
Revised Authorized Cost	\$ 868,000			
Percentage Increase over Original Authorized Cost	0.00%			
Percentage completion	100.00%			
Original target completion date	2/17/2011			
Revised target completion date	Complete			

Livingston Board of Education  
Capital Projects Fund

Schedule of Project Revenues, Expenditures, Project Balance and Project Status  
(Budgetary Basis)

Riker Hill Facility Upgrades

From Inception and for the year ended June 30, 2016

	Prior Periods	Current Year	Totals	Revised Authorized Cost
<b>Revenues and other financing sources</b>				
State Sources - SDA Grant	\$ 2,510,834		\$ 2,510,834	\$ 2,510,834
Bond Proceeds and transfers	3,299,735		3,299,735	3,751,761
Contribution from Private sources				
Transfer from capital reserve				
Transfer from capital outlay				
Total revenues	<u>5,810,569</u>	<u>-</u>	<u>5,810,569</u>	<u><u>\$ 6,262,595</u></u>
<b>Expenditures and Other Financing Uses</b>				
Purchased professional and technical services	423,404		423,404	
Land and improvements				
Construction services	4,570,828		4,570,828	
Equipment				
Transfers Out				
Bond issuance costs	10,744		10,744	
Total expenditures and other financing uses	<u>5,004,976</u>	<u>-</u>	<u>5,004,976</u>	
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 805,593</u>	<u>\$ -</u>	<u>\$ 805,593</u>	
Additional project information				
Project number	2730-118-09-2008			
Grant date	1/29/2010			
Bond authorization date	12/14/2009			
Bonds Authorized	\$ 3,751,761			
Bonds Issued	3,304,377			
Original Authorized Cost	\$ 6,277,086			
Additional Authorized Cost	(14,491)			
Revised Authorized Cost	\$ 6,262,595			
Percentage Increase over Original Authorized Cost	0.00%			
Percentage completion	100.00%			
Original target completion date	10/15/2012			
Revised target completion date	Complete			



Livingston Board of Education  
Capital Projects Fund

Schedule of Project Revenues, Expenditures, Project Balance and Project Status  
(Budgetary Basis)

Riker Hill Solar Panels

From Inception and for the year ended June 30, 2016

	Prior Periods	Current Year	Totals	Revised Authorized Cost
<b>Revenues and other financing sources</b>				
State Sources - SDA Grant				
Bond Proceeds and transfers	\$ 1,140,170		\$ 1,140,170	\$ 1,319,000
Contribution from Private sources				
Transfer from capital reserve				
Transfer from capital outlay				
Total revenues	<u>1,140,170</u>	<u>-</u>	<u>1,140,170</u>	<u><u>\$ 1,319,000</u></u>
<b>Expenditures and Other Financing Uses</b>				
Purchased professional and technical services	72,160		72,160	
Land and improvements				
Construction services	1,067,142		1,067,142	
Equipment				
Transfers Out				
Bond issuance costs				
Total expenditures and other financing uses	<u>1,139,302</u>	<u>-</u>	<u>1,139,302</u>	
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 868</u>	<u>\$ -</u>	<u>\$ 868</u>	
<b>Additional project information</b>				
Project number	2730-118-10-1000			
Grant date	None			
Bond authorization date	12/14/2009			
Bonds Authorized	\$ 1,319,000			
Bonds Issued	1,140,170			
Original Authorized Cost	\$ 1,319,000			
Additional Authorized Cost	-			
Revised Authorized Cost	\$ 1,319,000			
Percentage Increase over Original Authorized Cost	0.00%			
Percentage completion	100.00%			
Original target completion date	2/17/2011			
Revised target completion date	Complete			

Livingston Board of Education  
Capital Projects Fund

Schedule of Project Revenues, Expenditures, Project Balance and Project Status  
(Budgetary Basis)

Heritage Middle Facility Upgrades

From Inception and for the year ended June 30, 2016

	Prior Periods	Current Year	Totals	Revised Authorized Cost
<b>Revenues and other financing sources</b>				
State Sources - SDA Grant	\$ 5,209,127		\$ 5,209,127	\$ 5,209,127
Bond Proceeds and transfers	6,860,865		6,860,865	7,798,663
Contribution from Private sources				
Transfer from capital reserve				
Transfer from capital outlay				
Total revenues	<u>12,069,992</u>	<u>-</u>	<u>12,069,992</u>	<u><u>\$ 13,007,790</u></u>
<b>Expenditures and Other Financing Uses</b>				
Purchased professional and technical services	861,993		861,993	
Land and improvements				
Construction services	10,309,671		10,309,671	
Equipment				
Transfers Out				
Bond issuance costs	10,744		10,744	
Total expenditures and other financing uses	<u>11,182,408</u>	<u>-</u>	<u>11,182,408</u>	
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 887,584</u>	<u>\$ -</u>	<u>\$ 887,584</u>	
Additional project information				
Project number	2730-055-09-2006			
Grant date	1/29/2010			
Bond authorization date	12/14/2009			
Bonds Authorized	\$ 7,798,663			
Bonds Issued	6,875,892			
Original Authorized Cost	\$ 13,022,817			
Additional Authorized Cost	(15,027)			
Revised Authorized Cost	\$ 13,007,790			
Percentage Increase over Original				
Authorized Cost	0.00%			
Percentage completion	100.00%			
Original target completion date	10/15/2012			
Revised target completion date	Complete			

Livingston Board of Education  
Capital Projects Fund

Schedule of Project Revenues, Expenditures, Project Balance and Project Status  
(Budgetary Basis)

Heritage Middle Solar Panels

From Inception and for the year ended June 30, 2016

	Prior Periods	Current Year	Totals	Revised Authorized Cost
<b>Revenues and other financing sources</b>				
State Sources - SDA Grant				
Bond Proceeds and transfers	\$ 777,978		\$ 777,978	\$ 900,000
Contribution from Private sources				
Transfer from capital reserve				
Transfer from capital outlay				
Total revenues	<u>777,978</u>	<u>-</u>	<u>777,978</u>	<u><u>\$ 900,000</u></u>
<b>Expenditures and Other Financing Uses</b>				
Purchased professional and technical services	49,185		49,185	
Land and improvements				
Construction services	689,207		689,207	
Equipment				
Transfers Out				
Bond issuance costs				
Total expenditures and other financing uses	<u>738,392</u>	<u>-</u>	<u>738,392</u>	
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 39,586</u>	<u>\$ -</u>	<u>\$ 39,586</u>	
<b>Additional project information</b>				
Project number	2730-055-10-2000			
Grant date	None			
Bond authorization date	12/14/2009			
Bonds Authorized	\$ 900,000			
Bonds Issued	777,978			
Original Authorized Cost	\$ 900,000			
Additional Authorized Cost	-			
Revised Authorized Cost	\$ 900,000			
Percentage Increase over Original Authorized Cost	0.00%			
Percentage completion	100.00%			
Original target completion date	2/17/2011			
Revised target completion date	Complete			

Livingston Board of Education  
Capital Projects Fund

Schedule of Project Revenues, Expenditures, Project Balance and Project Status  
(Budgetary Basis)

Livingston High School Solar Panels

From Inception and for the year ended June 30, 2016

	Prior Periods	Current Year	Totals	Revised Authorized Cost
<b>Revenues and other financing sources</b>				
State Sources - SDA Grant				
Bond Proceeds and transfers	\$ 1,305,054		\$ 1,305,054	\$ 1,305,054
Contribution from Private sources				
Transfer from capital reserve				
Transfer from capital outlay				
Total revenues	<u>1,305,054</u>	<u>-</u>	<u>1,305,054</u>	<u><u>\$ 1,305,054</u></u>
<b>Expenditures and Other Financing Uses</b>				
Purchased professional and technical services	132,451		132,451	
Land and improvements				
Construction services	733,625		733,625	
Equipment				
Transfers Out				
Bond issuance costs	10,548		10,548	
Total expenditures and other financing uses	<u>876,624</u>	<u>-</u>	<u>876,624</u>	
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 428,430</u>	<u>\$ -</u>	<u>\$ 428,430</u>	
<b>Additional project information</b>				
Project number	2730-050-10-1000			
Grant date	None			
Bond authorization date	12/14/2009			
Bonds Authorized	\$ 1,305,054			
Bonds Issued	1,305,054			
Original Authorized Cost	\$ 1,305,054			
Additional Authorized Cost	-			
Revised Authorized Cost	\$ 1,305,054			
Percentage Increase over Original Authorized Cost	0.00%			
Percentage completion	100.00%			
Original target completion date	2/17/2011			
Revised target completion date	Complete			

Livingston Board of Education  
Capital Projects Fund

Schedule of Project Revenues, Expenditures, Project Balance and Project Status  
(Budgetary Basis)

2013 Referendum

From Inception and for the year ended June 30, 2016

	Prior Periods	Current Year	Totals	Revised Authorized Cost
<b>Revenues and other financing sources</b>				
State Sources - SDA Grant				
Bond Proceeds and transfers	\$ 8,500,000	\$ 8,500,000	\$ 17,000,000	\$ 18,200,000
Contribution from Private sources				
Transfer from capital reserve				
Transfer from capital outlay				
Total revenues	<u>8,500,000</u>	<u>8,500,000</u>	<u>17,000,000</u>	<u><u>\$ 18,200,000</u></u>
<b>Expenditures and Other Financing Uses</b>				
Purchased professional and technical services	2,284,128	241,132	2,525,260	
Land and improvements				
Construction services	11,160,451	2,344,162	13,504,613	
Equipment				
Transfers Out				
Bond issuance costs	53,298		53,298	
Total expenditures and other financing uses	<u>13,497,877</u>	<u>2,585,294</u>	<u>16,083,171</u>	
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (4,997,877)</u>	<u>\$ 5,914,706</u>	<u>\$ 916,829</u>	
<b>Additional project information</b>				
Project number		None		
Grant date		None		
Bond authorization date		9/16/2013		
Bonds Authorized	\$ 18,200,000			
Bonds Issued	8,500,000			
Original Authorized Cost	\$ 18,200,000			
Additional Authorized Cost	-			
Revised Authorized Cost	\$ 18,200,000			
Percentage Increase over Original Authorized Cost		0.00%		
Percentage completion		14.20%		
Original target completion date		6/30/2016		
Revised target completion date		6/30/2017		

Livingston Board of Education  
Capital Projects Fund

Schedule of Project Revenues, Expenditures, Project Balance and Project Status  
(Budgetary Basis)

Hillside HVAC

From Inception and for the year ended June 30, 2016

	Prior Periods	Current Year	Totals	Revised Authorized Cost
<b>Revenues and other financing sources</b>				
State Sources - SDA Grant		\$ 192,400	\$ 192,400	\$ 192,400
Bond Proceeds and transfers				
Contribution from Private sources				
Transfer from capital reserve		288,600	288,600	288,600
Transfer from capital outlay				
Total revenues	-	481,000	481,000	<u>\$ 481,000</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased professional and technical services		20,782	20,782	
Land and improvements				
Construction services		37,363	37,363	
Equipment				
Transfers Out				
Bond issuance costs				
Total expenditures and other financing uses	-	58,145	58,145	
Excess (deficiency) of revenues over (under) expenditures	<u>\$ -</u>	<u>\$ 422,855</u>	<u>\$ 422,855</u>	
<b>Additional project information</b>				
Project number	2730-100-14-1008			
Grant date	10/8/2015			
Bond authorization date	None			
Bonds Authorized				
Bonds Issued				
Original Authorized Cost	\$	481,000		
Additional Authorized Cost		-		
Revised Authorized Cost	\$	481,000		
Percentage Increase over Original Authorized Cost	0.00%			
Percentage completion	12.09%			
Original target completion date	6/30/2017			
Revised target completion date	6/30/2017			

Livingston Board of Education  
Capital Projects Fund

Schedule of Project Revenues, Expenditures, Project Balance and Project Status  
(Budgetary Basis)

Heritage HVAC

From Inception and for the year ended June 30, 2016

	Prior Periods	Current Year	Totals	Revised Authorized Cost
<b>Revenues and other financing sources</b>				
State Sources - SDA Grant		\$ 637,300	\$ 637,300	\$ 637,300
Bond Proceeds and transfers				
Contribution from Private sources				
Transfer from capital reserve		661,400	661,400	661,400
Transfer from capital outlay		294,550	294,550	294,550
Total revenues	-	<u>1,593,250</u>	<u>1,593,250</u>	<u>\$ 1,593,250</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased professional and technical services		5,577	5,577	
Land and improvements				
Construction services		109,914	109,914	
Equipment				
Transfers Out				
Bond issuance costs				
Total expenditures and other financing uses	-	<u>115,491</u>	<u>115,491</u>	
Excess (deficiency) of revenues over (under) expenditures	<u>\$ -</u>	<u>\$ 1,477,759</u>	<u>\$ 1,477,759</u>	
<b>Additional project information</b>				
Project number	2730-060-14-1003			
Grant date	10/8/2015			
Bond authorization date	None			
Bonds Authorized				
Bonds Issued				
Original Authorized Cost	\$	1,593,250		
Additional Authorized Cost		-		
Revised Authorized Cost	\$	1,593,250		
Percentage Increase over Original Authorized Cost	0.00%			
Percentage completion	7.25%			
Original target completion date	6/30/2017			
Revised target completion date	6/30/2017			

Livingston Board of Education  
Capital Projects Fund

Schedule of Project Revenues, Expenditures, Project Balance and Project Status  
(Budgetary Basis)

Harrison HVAC

From Inception and for the year ended June 30, 2016

	Prior Periods	Current Year	Totals	Revised Authorized Cost
<b>Revenues and other financing sources</b>				
State Sources - SDA Grant		\$ 241,200	\$ 241,200	\$ 241,200
Bond Proceeds and transfers				
Contribution from Private sources				
Transfer from capital reserve		361,800	361,800	361,800
Transfer from capital outlay				
Total revenues	-	603,000	603,000	<u>\$ 603,000</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased professional and technical services		27,054	27,054	
Land and improvements				
Construction services		34,488	34,488	
Equipment				
Transfers Out				
Bond issuance costs				
Total expenditures and other financing uses	-	61,542	61,542	
Excess (deficiency) of revenues over (under) expenditures	<u>\$ -</u>	<u>\$ 541,458</u>	<u>\$ 541,458</u>	
<b>Additional project information</b>				
Project number	2730-090-14-1007			
Grant date	10/8/2015			
Bond authorization date	None			
Bonds Authorized				
Bonds Issued				
Original Authorized Cost	\$	603,000		
Additional Authorized Cost		-		
Revised Authorized Cost	\$	603,000		
Percentage Increase over Original Authorized Cost	0.00%			
Percentage completion	10.21%			
Original target completion date	6/30/2017			
Revised target completion date	6/30/2017			



Livingston Board of Education  
Capital Projects Fund

Schedule of Project Revenues, Expenditures, Project Balance and Project Status  
(Budgetary Basis)

Collins HVAC

From Inception and for the year ended June 30, 2016

	Prior Periods	Current Year	Totals	Revised Authorized Cost
<b>Revenues and other financing sources</b>				
State Sources - SDA Grant		\$ 129,200	\$ 129,200	\$ 129,200
Bond Proceeds and transfers				
Contribution from Private sources				
Transfer from capital reserve		193,800	193,800	193,800
Transfer from capital outlay				
Total revenues	-	<u>323,000</u>	<u>323,000</u>	<u>\$ 323,000</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased professional and technical services		14,504	14,504	
Land and improvements				
Construction services		52,692	52,692	
Equipment				
Transfers Out				
Bond issuance costs				
Total expenditures and other financing uses	-	<u>67,196</u>	<u>67,196</u>	
Excess (deficiency) of revenues over (under) expenditures	<u>\$ -</u>	<u>\$ 255,804</u>	<u>\$ 255,804</u>	
<b>Additional project information</b>				
Project number	2730-080-14-1006			
Grant date	10/8/2015			
Bond authorization date	None			
Bonds Authorized				
Bonds Issued				
Original Authorized Cost	\$	323,000		
Additional Authorized Cost		-		
Revised Authorized Cost	\$	323,000		
Percentage Increase over Original Authorized Cost	0.00%			
Percentage completion	20.80%			
Original target completion date	6/30/2017			
Revised target completion date	6/30/2017			

Livingston Board of Education  
Capital Projects Fund

Schedule of Project Revenues, Expenditures, Project Balance and Project Status  
(Budgetary Basis)

Burnet Hill HVAC

From Inception and for the year ended June 30, 2016

	Prior Periods	Current Year	Totals	Revised Authorized Cost
<b>Revenues and other financing sources</b>				
State Sources - SDA Grant		\$ 129,200	\$ 129,200	\$ 129,200
Bond Proceeds and transfers				
Contribution from Private sources				
Transfer from capital reserve		193,800	193,800	193,800
Transfer from capital outlay				
Total revenues	-	<u>323,000</u>	<u>323,000</u>	<u>\$ 323,000</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased professional and technical services		14,553	14,553	
Land and improvements				
Construction services		60,821	60,821	
Equipment				
Transfers Out				
Bond issuance costs				
Total expenditures and other financing uses	-	<u>75,374</u>	<u>75,374</u>	
Excess (deficiency) of revenues over (under) expenditures	<u>\$ -</u>	<u>\$ 247,626</u>	<u>\$ 247,626</u>	
<b>Additional project information</b>				
Project number	2730-070-14-1005			
Grant date	10/8/2015			
Bond authorization date	None			
Bonds Authorized				
Bonds Issued				
Original Authorized Cost	\$	323,000		
Additional Authorized Cost		-		
Revised Authorized Cost	\$	323,000		
Percentage Increase over Original Authorized Cost	0.00%			
Percentage completion	23.34%			
Original target completion date	6/30/2017			
Revised target completion date	6/30/2017			

Livingston Board of Education  
Capital Projects Fund

Schedule of Project Revenues, Expenditures, Project Balance and Project Status  
(Budgetary Basis)

Mount Pleasant Middle HVAC

From Inception and for the year ended June 30, 2016

	Prior Periods	Current Year	Totals	Revised Authorized Cost
<b>Revenues and other financing sources</b>				
State Sources - SDA Grant		\$ 396,400	\$ 396,400	\$ 396,400
Bond Proceeds and transfers				
Contribution from Private sources				
Transfer from capital reserve		594,600	594,600	594,600
Transfer from capital outlay				
Total revenues	-	991,000	991,000	<u>\$ 991,000</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased professional and technical services		42,016	42,016	
Land and improvements				
Construction services		78,678	78,678	
Equipment				
Transfers Out				
Bond issuance costs				
Total expenditures and other financing uses	-	120,694	120,694	
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ 870,306	\$ 870,306	
<b>Additional project information</b>				
Project number	2730-060-14-1004			
Grant date	10/8/2015			
Bond authorization date	None			
Bonds Authorized				
Bonds Issued				
Original Authorized Cost	\$	991,000		
Additional Authorized Cost		-		
Revised Authorized Cost	\$	991,000		
Percentage Increase over Original Authorized Cost	0.00%			
Percentage completion	12.18%			
Original target completion date	6/30/2017			
Revised target completion date	6/30/2017			

Livingston Board of Education  
Capital Projects Fund

Schedule of Project Revenues, Expenditures, Project Balance and Project Status  
(Budgetary Basis)

High School Roof Part A

From Inception and for the year ended June 30, 2016

	Prior Periods	Current Year	Totals	Revised Authorized Cost
<b>Revenues and other financing sources</b>				
State Sources - SDA Grant		\$ 244,000	\$ 244,000	\$ 244,000
Bond Proceeds and transfers				
Contribution from Private sources				
Transfer from capital reserve		366,000	366,000	366,000
Transfer from capital outlay				
Total revenues	-	610,000	610,000	<u>\$ 610,000</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased professional and technical services		9,369	9,369	
Land and improvements				
Construction services		427,000	427,000	
Equipment				
Transfers Out				
Bond issuance costs				
Total expenditures and other financing uses	-	436,369	436,369	
Excess (deficiency) of revenues over (under) expenditures	<u>\$ -</u>	<u>\$ 173,631</u>	<u>\$ 173,631</u>	
<b>Additional project information</b>				
Project number	2730-050-14-1001			
Grant date	10/8/2015			
Bond authorization date	None			
Bonds Authorized				
Bonds Issued				
Original Authorized Cost	\$	610,000		
Additional Authorized Cost		-		
Revised Authorized Cost	\$	610,000		
Percentage Increase over Original Authorized Cost	0.00%			
Percentage completion	71.54%			
Original target completion date	6/30/2017			
Revised target completion date	6/30/2017			

Livingston Board of Education  
Capital Projects Fund

Schedule of Project Revenues, Expenditures, Project Balance and Project Status  
(Budgetary Basis)

High School Roof Part B

From Inception and for the year ended June 30, 2016

	Prior Periods	Current Year	Totals	Revised Authorized Cost
<b>Revenues and other financing sources</b>				
State Sources - SDA Grant	\$ 123,888		\$ 123,888	\$ 123,888
Bond Proceeds and transfers				
Contribution from Private sources				
Transfer from capital reserve				
Transfer from capital outlay	185,832		185,832	185,832
Total revenues	<u>309,720</u>	<u>-</u>	<u>309,720</u>	<u>\$ 309,720</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased professional and technical services	123,314		123,314	
Land and improvements				
Construction services	186,406		186,406	
Equipment				
Transfers Out				
Bond issuance costs				
Total expenditures and other financing uses	<u>309,720</u>	<u>-</u>	<u>309,720</u>	
Excess (deficiency) of revenues over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
<b>Additional project information</b>				
Project number	2730-050-14-1002			
Grant date	1/6/2014			
Bond authorization date	None			
Bonds Authorized				
Bonds Issued				
Original Authorized Cost	\$ 309,720			
Additional Authorized Cost	-			
Revised Authorized Cost	\$ 309,720			
Percentage Increase over Original Authorized Cost	0.00%			
Percentage completion	100.00%			
Original target completion date	6/30/2015			
Revised target completion date	Complete			

Livingston Board of Education  
Capital Projects Fund

Summary Schedule of Project Expenditures  
(Budgetary Basis)

Year ended June 30, 2016

Issue/Project Title	Appropriations	Expenditures to Date		Unexpended Balance
		Prior Years	Current Year	
High school renovation-referendum	\$ 51,521,000	\$ 51,510,226		\$ 10,774
Facility upgrades and HVAC	59,677,417	45,824,827	\$ 498,442	13,354,148
Additions/renovations at Various Schools	18,200,000	13,497,877	2,585,294	2,116,829
LHS Roof Part A	610,000		436,369	173,631
LHS Roof Part B	309,720	309,720		-
Solar Panels	8,687,905	6,192,019		2,495,886
	<u>\$ 139,006,042</u>	<u>\$ 117,334,669</u>	<u>\$ 3,520,105</u>	<u>18,151,268</u>
Bonds and notes authorized and not issued				(6,410,849)
			F-1	<u>\$ 11,740,419</u>

Components of appropriations for referendum questions - high school renovations

Bonds authorized 6/15/06	\$ 8,000,000
Bonds authorized 10/9/07	43,521,000
	<u>\$ 51,521,000</u>

Components of appropriations - Facility upgrades and HVAC

NJ Schools Development Authority	\$ 23,490,923
Bonds authorized 12/14/09	33,597,944
Transfer from capital reserve	2,294,000
Transfer from capital outlay	294,550
	<u>\$ 59,677,417</u>

Components of appropriations - Solar panels

Bonds authorized 12/14/09	\$ 8,687,905
	<u>\$ 8,687,905</u>

Components of appropriations for referendum question - additions and renovations at various schools

Bonds authorized 3/12/13	\$ 18,200,000
	<u>\$ 18,200,000</u>

Components of appropriations - LHS Roof Part A

NJ Schools Development Authority	\$ 244,000
Transfer from capital outlay	366,000
	<u>\$ 610,000</u>

Components of appropriations - LHS Roof Part B

NJ Schools Development Authority	\$ 123,888
Transfer from capital outlay	185,832
	<u>\$ 309,720</u>

## Fiduciary Funds

Livingston Board of Education  
Trust and Agency Funds

Combining Statement of Fiduciary Net Position

June 30, 2016

	<u>Trust</u>	<u>Agency</u>		<u>Total</u>
	<u>Unemployment</u> <u>Compensation</u>	<u>Student</u> <u>Activity</u>	<u>Payroll</u>	
<b>Assets</b>				
Cash and cash equivalents	\$ 272,700	\$ 474,211	\$ 2,497,015	\$ 2,971,226
Interfund receivable	66,000			
Total assets	<u>338,700</u>	<u>\$ 474,211</u>	<u>\$ 2,497,015</u>	<u>\$ 2,971,226</u>
<b>Liabilities</b>				
Payroll deductions and withholdings payable			\$ 648,823	\$ 648,823
Summer escrow payable			1,848,192	1,848,192
Accounts payable	8,153			
Due to student groups		\$ 474,211		474,211
Total liabilities	<u>8,153</u>	<u>\$ 474,211</u>	<u>\$ 2,497,015</u>	<u>\$ 2,971,226</u>
<b>Net position</b>				
Held in trust for unemployment claims	330,547			
Total net position	<u>\$ 330,547</u>			



Livingston Board of Education  
Student Activity Agency Fund

Schedule of Cash Receipts and Cash Disbursements

Year ended June 30, 2016

	<b>Balance</b>			<b>Balance</b>
	<b>July</b>	<b>Cash</b>	<b>Cash</b>	<b>June</b>
	<b>1, 2015</b>	<b>Receipts</b>	<b>Disbursements</b>	<b>30, 2016</b>
Elementary schools:				
Burnet Hill	\$ 4,013	\$ 8,753	\$ 6,252	\$ 6,514
Riker Hill	5,463	33,692	30,942	8,213
Collins	5,721	16,863	20,059	2,525
Harrison	5,684	21,533	21,246	5,971
Hillside	689	14,021	13,795	915
Mount Pleasant	12,370	7,899	12,578	7,691
	<u>33,940</u>	<u>102,761</u>	<u>104,872</u>	<u>31,829</u>
Middle schools:				
Heritage	29,912	67,574	75,021	22,465
Mount Pleasant	31,892	16,755	13,662	34,985
	<u>61,804</u>	<u>84,329</u>	<u>88,683</u>	<u>57,450</u>
High school:				
Senior High School	319,407	703,051	651,314	371,144
Athletic account	1,602	110,614	98,428	13,788
	<u>321,009</u>	<u>813,665</u>	<u>749,742</u>	<u>384,932</u>
Total all schools	<u>\$ 416,753</u>	<u>\$ 1,000,755</u>	<u>\$ 943,297</u>	<u>\$ 474,211</u>

Livingston Board of Education  
Payroll Agency Fund

Schedule of Cash Receipts and Cash Disbursements

Year ended June 30, 2016

	<b>Balance July 1, 2015</b>	<b>Cash Receipts</b>	<b>Cash Disbursements</b>	<b>Balance June 30, 2016</b>
<b>Assets</b>				
Cash and cash equivalents	\$ 2,311,558	\$ 76,763,967	\$ 76,578,510	\$ 2,497,015
Total assets	<u>\$ 2,311,558</u>	<u>\$ 76,763,967</u>	<u>\$ 76,578,510</u>	<u>\$ 2,497,015</u>
<b>Liabilities</b>				
Payroll deductions and withholdings	\$ 571,302	\$ 74,915,775	\$ 74,838,254	\$ 648,823
Summer escrow payable	1,740,256	1,848,192	1,740,256	1,848,192
Total liabilities	<u>\$ 2,311,558</u>	<u>\$ 76,763,967</u>	<u>\$ 76,578,510</u>	<u>\$ 2,497,015</u>

## Long-Term Debt

Livingston Board of Education  
Long-Term Debt

Schedule of Serial Bonds Payable

Year ended June 30, 2016

Issue	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance July 1, 2015	Issued	Retired	Balance June 30, 2016
			Date	Amount					
High School Renovations	6/15/06	\$ 8,000,000				\$ 5,485,000		\$ 5,485,000	\$ -
High School Renovations	10/9/07	43,521,000	7/15/16 7/15/17	\$ 1,250,000 1,250,000	4.250 4.500	37,021,000		34,521,000	2,500,000
School Refunding Bonds	3/11/10	12,405,000	7/15/16 7/15/17 7/15/18 7/15/19 7/15/20 7/15/21 7/15/22	1,230,000 1,275,000 1,315,000 1,370,000 1,405,000 1,475,000 475,000	3.000 3.000 4.000 4.000 4.000 4.000 4.000	9,735,000	1,190,000	8,545,000	
Renovations to Schools Build America Bonds	8/3/10	28,075,000				28,075,000		28,075,000	-
Renovations to Schools	8/3/10	9,000,000	7/15/16 7/15/17 7/15/18 7/15/19 7/15/20	1,000,000 1,000,000 1,000,000 1,000,000 1,000,000	2.000 2.000 2.125 2.350 2.500	6,000,000	1,000,000	5,000,000	
Renovations to Schools	10/1/13	8,500,000	8/1/16 8/1/17 8/1/18 8/1/19 8/1/20 8/1/21 8/1/22 8/1/23 8/1/24 8/1/25 8/1/26 8/1/27 8/1/28	400,000 475,000 525,000 650,000 700,000 350,000 650,000 650,000 650,000 650,000 650,000 700,000 700,000	2.000 2.000 2.000 2.000 2.000 2.000 2.000 3.000 3.000 3.000 3.000 3.000 3.000	8,150,000	400,000	7,750,000	
Renovations to Schools	8/6/2015	8,500,000	8/1/17 8/1/18 8/1/19 8/1/20 8/1/21 8/1/22 8/1/23 8/1/24 8/1/25 8/1/26 8/1/27 8/1/28 8/1/29 8/1/30	400,000 450,000 450,000 550,000 350,000 700,000 700,000 700,000 700,000 700,000 700,000 700,000 700,000 700,000	2.000 2.000 2.000 2.000 2.000 2.000 2.000 2.000 2.125 3.000 3.000 3.000 3.000 3.000	\$ 8,500,000		8,500,000	
School Refunding Bonds	9/24/2015	61,010,000	7/15/16 7/15/17 7/15/18 7/15/19 7/15/20 7/15/21 7/15/22 7/15/23 7/15/24 7/15/25 7/15/26 7/15/27 7/15/28 7/15/29 7/15/30 7/15/31 7/15/32 7/15/33 7/15/34 7/15/35 7/15/36 7/15/37	150,000 160,000 1,345,000 1,350,000 1,355,000 3,250,000 3,635,000 3,840,000 3,790,000 3,945,000 3,060,000 3,180,000 3,250,000 3,305,000 3,315,000 3,440,000 3,515,000 3,690,000 3,800,000 3,825,000 1,835,000 1,810,000	2.000 3.000 4.000 5.000 4.000 5.000 5.000 5.000 5.000 5.000 5.000 5.000 5.000 4.000 4.000 4.360 4.500 4.160 5.000 5.000 5.000 5.000		61,010,000	165,000	60,845,000
						\$ 94,466,000	\$ 69,510,000	\$ 70,836,000	\$ 93,140,000

Livingston Board of Education  
Long-Term Debt

Schedule of Obligations Under Capital Leases

Year ended June 30, 2016

	Interest Rate	Amount of Original Issue	Balance July 1, 2015	Issued	Retired	Balance June 30, 2016
TD Equipment Financing	1.48%	\$ 1,000,000		\$ 1,000,000		\$ 1,000,000
TD Equipment Financing	1.22%	2,800,000		2,800,000		2,800,000
Suntrust Leasing	2.17%	750,000	\$ 155,973		\$ 155,973	
U.S. Bancorp	1.06%	1,200,000	895,212		295,245	599,967
TD Bank	1.94%	750,000	308,187		152,613	155,574
			<u>\$ 1,359,372</u>	<u>\$ 3,800,000</u>	<u>\$ 603,831</u>	<u>\$ 4,555,541</u>

Livingston Board of Education  
Debt Service Fund

Budgetary Comparison Schedule

Year ended June 30, 2016

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenues:					
Local sources:					
Miscellaneous-sale of SREC's	\$ 200,000		\$ 200,000	\$ 197,456	\$ (2,544)
Local tax levy	6,514,901		6,514,901	6,514,901	
State sources:					
Debt service aid type II	897,897		897,897	897,897	
Total revenues	<u>7,612,798</u>		<u>7,612,798</u>	<u>7,610,254</u>	<u>(2,544)</u>
Expenditures:					
Principal on bonds	4,145,000	\$ 165,000	4,310,000	4,310,000	
Interest on bonds	3,467,798	(165,000)	3,302,798	3,153,228	149,570
Costs of issuance				423,848	(423,848)
Total expenditures	<u>7,612,798</u>	<u>-</u>	<u>7,612,798</u>	<u>7,887,076</u>	<u>(274,278)</u>
(Deficiency) of revenues (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>(276,822)</u>	<u>(276,822)</u>
Other financing sources (uses):					
Refunding bonds issued				61,010,000	61,010,000
Premium on refunding bonds issued				8,886,902	8,886,902
Equity contribution				134,265	134,265
Payment to refunded bond escrow agent				(69,607,319)	(69,607,319)
Total other financing sources (uses)	<u>-</u>		<u>-</u>	<u>423,848</u>	<u>423,848</u>
Net change in fund balances	-	-	-	147,026	147,026
Fund balance, July 1	87,680		87,680	87,680	
Fund balance, June 30	<u>\$ 87,680</u>	<u>\$ -</u>	<u>\$ 87,680</u>	<u>\$ 234,706</u>	<u>\$ 147,026</u>

## Statistical Section

**Statistical Section**  
**Unaudited**

**Contents**

**Financial Trends**

These schedules contain trend information to help the reader understand how the district's financial performance and well being have changed over time.

**Revenue Capacity**

These schedules contain information to help the reader assess the district's most significant local revenue source, the property tax.

**Debt Capacity**

These schedules present information to help the reader assess the affordability of the district's current levels of outstanding debt and the district's ability to issue additional debt in the future.

**Demographic and Economic Information**

These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place.

**Operating Information**

These schedules contain service and infrastructure data to help the reader understand how the information in the district's financial report relates to the services the district provides and the activities it performs.

**Sources:** *Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports (CAFR) for the relevant year.*



Livingston Board of Education  
 Net Position by Component  
 Last Ten Fiscal Years  
 (accrual basis of accounting)  
 Unaudited

	As of June 30,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Governmental activities at Government-wide level										
Net investment in capital assets	\$ 26,021,955	\$ 27,138,634	\$ 28,226,511	\$ 32,361,810	\$ 29,780,271	\$ 51,502,583	\$ 54,448,601	\$ 55,919,463	\$ 58,372,950	\$ 59,527,328
Restricted	1,639,337	3,266,572	2,081,718	2,083,754	9,634,285	1,797,535	2,603,315	4,402,174	6,028,772	5,540,059
Unrestricted (deficit)	(1,600,399)	(3,539,435)	(2,858,594)	(4,665,561)	(2,790,043)	(1,407,628)	(1,756,316)	(2,953,511)	(30,011,401)	(29,175,486)
Total governmental activities net position	<u>\$ 26,060,893</u>	<u>\$ 26,865,771</u>	<u>\$ 27,449,635</u>	<u>\$ 29,780,003</u>	<u>\$ 36,624,513</u>	<u>\$ 51,892,490</u>	<u>\$ 55,295,600</u>	<u>\$ 57,368,126</u>	<u>\$ 34,390,321</u>	<u>\$ 35,891,901</u>
Business-type activities at Government-wide level										
Unrestricted				\$ 37,129	\$ 101,382	\$ 117,150	\$ 123,159	\$ 156,564	\$ 163,609	\$ 124,697
Total business-type activities net position				<u>\$ 37,129</u>	<u>\$ 101,382</u>	<u>\$ 117,150</u>	<u>\$ 123,159</u>	<u>\$ 156,564</u>	<u>\$ 163,609</u>	<u>\$ 124,697</u>
Governmental activities at Government-wide level										
Net investment in capital assets	\$ 26,021,955	\$ 27,138,634	\$ 28,226,511	\$ 32,361,810	\$ 29,780,271	\$ 51,502,583	\$ 54,448,601	\$ 55,919,463	\$ 58,372,950	\$ 59,527,328
Restricted	1,639,337	3,266,572	2,081,718	2,083,754	9,634,285	1,797,535	2,603,315	4,402,174	6,028,772	5,540,059
Unrestricted (deficit)	(1,600,399)	(3,539,435)	(2,858,594)	(4,628,432)	(2,688,661)	(1,290,478)	(1,633,157)	(2,796,947)	(29,847,792)	(29,050,789)
Total governmental activities net position	<u>\$ 26,060,893</u>	<u>\$ 26,865,771</u>	<u>\$ 27,449,635</u>	<u>\$ 29,817,132</u>	<u>\$ 36,725,895</u>	<u>\$ 52,009,640</u>	<u>\$ 55,418,759</u>	<u>\$ 57,524,690</u>	<u>\$ 34,553,930</u>	<u>\$ 36,016,598</u>

Source: CAFR Schedule A-1 and District records.

The District commenced operations of its food service enterprise fund during the 2009 fiscal year.

GASB 63 was implemented during the 2013 fiscal year which required reclassification of balances previously reported as net assets to net position.

GASB 68 was implemented during the 2015 fiscal year, which required the restatement of beginning net position in the amount of \$25,333,873. This amount is not reflected in the June 30, 2014 Net Position, above.

Livingston Board of Education  
Changes in Net Position, Last Ten Fiscal Years  
(accrual basis of accounting)  
Unaudited

	Year Ended June 30,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Expenses</b>										
<b>Governmental activities</b>										
Instruction	\$ 58,747,266	\$ 61,513,696	\$ 60,605,930	\$ 64,714,624	\$ 63,878,756	\$ 66,272,731	\$ 68,887,506	\$ 69,825,515	\$ 77,101,975	\$ 87,448,186
Support Services:										
Attendance and social work	338,011	349,537	336,610	101,614	111,223	87,045	83,146	68,300	81,890	111,626
Health services	1,204,217	1,276,774	1,276,809	1,315,293	1,155,226	1,250,211	1,293,287	1,297,647	1,399,384	1,602,126
Other support services	7,722,403	7,568,944	8,027,094	8,749,413	8,527,200	8,969,414	8,902,828	9,723,856	10,309,217	11,618,707
Improvement of instruction	1,893,851	1,630,791	1,672,833	2,239,925	2,287,581	2,474,874	2,460,982	2,565,356	3,059,826	3,109,500
Other support instructional staff	578,156	541,990	519,445	430,135	618,138	602,057	578,017	616,615	721,986	631,642
School library	1,418,986	1,489,935	1,496,265	1,420,543	1,402,614	1,534,227	1,590,230	1,599,911	1,684,934	1,953,426
General administration	1,782,990	1,983,217	1,664,847	1,614,441	1,501,121	1,602,967	1,620,516	1,746,326	1,434,998	1,614,656
School administration	5,144,824	5,301,362	5,275,513	5,490,678	5,330,008	5,319,153	5,641,806	5,725,353	6,170,061	6,813,282
Required maintenance of plant	1,629,792	1,728,144	1,672,944	1,806,197	1,548,439	1,679,427	1,656,110	1,779,831	1,926,852	1,781,738
Operation of plant	5,156,209	5,678,215	6,114,877	6,361,609	6,452,481	6,743,825	6,787,794	7,325,687	7,824,561	7,359,396
Student transportation	3,519,539	3,594,490	3,623,878	3,517,749	2,859,259	3,327,734	3,680,205	3,401,837	3,523,893	3,757,943
Central services			1,812,960	1,877,854	1,813,338	1,805,295	2,031,579	1,810,997	2,024,454	2,108,249
Administrative information technology			1,030,394	1,001,413	1,099,190	1,334,838	1,566,865	1,546,072	1,712,196	1,881,804
Business and other support services and be	2,627,678	3,422,862								
Capital outlay										
Charter Schools									35,575	30,910
Interest on long-term debt	1,045,333	2,185,319	3,283,557	2,731,585	3,534,830	3,759,553	3,498,671	3,784,711	3,540,119	4,439,833
Total governmental activities expenses	<u>92,809,255</u>	<u>98,265,276</u>	<u>98,413,956</u>	<u>103,373,073</u>	<u>102,119,404</u>	<u>106,763,351</u>	<u>110,279,542</u>	<u>112,818,014</u>	<u>122,551,921</u>	<u>136,263,024</u>
<b>Business-type activities</b>										
Food service			835,526	785,620	899,767	942,943	935,828	1,064,344	1,326,939	1,731,199
Total business-type activities			<u>835,526</u>	<u>785,620</u>	<u>899,767</u>	<u>942,943</u>	<u>935,828</u>	<u>1,064,344</u>	<u>1,326,939</u>	<u>1,731,199</u>
Total district expenses	<u>\$ 92,809,255</u>	<u>\$ 98,265,276</u>	<u>\$ 99,249,482</u>	<u>\$ 104,158,693</u>	<u>\$ 103,019,171</u>	<u>\$ 107,706,294</u>	<u>\$ 111,215,370</u>	<u>\$ 113,882,358</u>	<u>\$ 123,878,860</u>	<u>\$ 137,994,223</u>
<b>Program Revenues</b>										
<b>Governmental activities:</b>										
<b>Charges for services:</b>										
Instruction (tuition)	\$ 33,559	\$ 33,185	\$ 104,008	\$ 72,370	\$ 116,574	\$ 53,985	\$ 10,083	\$ 46,993	\$ 112,693	\$ 170,384
Pupil transportation	60,000	88,270	158,875	158,408	114,679	310,880	315,153	301,983	337,630	372,107
Operating grants and contributions	1,921,902	1,845,781	1,848,856	2,835,726	2,326,694	2,355,452	2,121,250	2,015,767	2,331,758	2,287,885
Capital grants and contributions		57,804	74,938	978,472	4,427,857	12,398,388	449,567	280,721	123,888	121,562
Total governmental activities program revenues	<u>2,015,461</u>	<u>2,025,040</u>	<u>2,186,677</u>	<u>4,044,976</u>	<u>6,985,804</u>	<u>15,118,705</u>	<u>2,896,053</u>	<u>2,645,464</u>	<u>2,905,969</u>	<u>2,951,938</u>
<b>Business-type activities</b>										
<b>Charges for services</b>										
Food service			803,166	822,498	955,095	946,322	941,083	1,097,056	1,333,216	1,691,124
Total business-type activities			<u>803,166</u>	<u>822,498</u>	<u>955,095</u>	<u>946,322</u>	<u>941,083</u>	<u>1,097,056</u>	<u>1,333,216</u>	<u>1,691,124</u>
Total district program revenues	<u>\$ 2,015,461</u>	<u>\$ 2,025,040</u>	<u>\$ 2,989,843</u>	<u>\$ 4,867,474</u>	<u>\$ 7,940,899</u>	<u>\$ 16,065,027</u>	<u>\$ 3,837,136</u>	<u>\$ 3,742,520</u>	<u>\$ 4,239,185</u>	<u>\$ 4,643,062</u>
<b>Net (Expense)/Revenue</b>										
Governmental activities	\$ (90,793,794)	\$ (96,240,236)	\$ (96,227,279)	\$ (99,328,097)	\$ (95,133,600)	\$ (91,644,646)	\$ (107,383,489)	\$ (110,172,550)	\$ (119,645,952)	\$ (133,311,086)
Business-type activities			(32,360)	36,878	55,328	3,379	5,255	32,712	6,277	(40,075)
Total district-wide net expense	<u>\$ (90,793,794)</u>	<u>\$ (96,240,236)</u>	<u>\$ (96,259,639)</u>	<u>\$ (99,291,219)</u>	<u>\$ (95,078,272)</u>	<u>\$ (91,641,267)</u>	<u>\$ (107,378,234)</u>	<u>\$ (110,139,838)</u>	<u>\$ (119,639,675)</u>	<u>\$ (133,351,161)</u>

Livingston Board of Education  
Changes in Net Position, Last Ten Fiscal Years  
(accrual basis of accounting)  
Unaudited

	Year ended June 30,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Property taxes levied for general purposes, ne	\$ 74,542,669	\$ 79,251,361	\$ 82,421,415	\$ 85,302,647	\$ 88,714,753	\$ 90,069,759	\$ 90,955,519	\$ 92,768,603	\$ 94,517,808	\$ 97,514,537
Property taxes levied for debt service	1,820,867	1,841,682	2,065,063	4,352,410	4,293,987	5,065,306	5,433,634	6,050,287	6,338,900	6,514,901
Unrestricted grants and contributions	13,765,449	14,038,844	11,265,409	11,386,017	8,453,252	10,964,111	13,646,676	12,427,412	20,268,622	29,929,512
Investment earnings	851,502	1,438,113	485,083	34,904	65,852	96,553	38,900	61,224	23,943	88,831
Rental income	348,760	396,499	411,991	464,417	418,764	487,216	496,484	601,549	586,959	564,534
Miscellaneous income	251,372	78,615	194,190	118,070	40,180	241,280	215,386	336,001	265,788	200,351
Transfers			(32,008)		(8,678)	(11,602)				
<b>Total governmental activities</b>	<b>91,580,619</b>	<b>97,045,114</b>	<b>96,811,143</b>	<b>101,658,465</b>	<b>101,978,110</b>	<b>106,912,623</b>	<b>110,786,599</b>	<b>112,245,076</b>	<b>122,002,020</b>	<b>134,812,666</b>
Business-type activities:										
Interest earnings			352	251	247	787	754	693	768	1,163
Transfers			32,008		8,678	11,602				
<b>Total business-type activities</b>			<b>32,360</b>	<b>251</b>	<b>8,925</b>	<b>12,389</b>	<b>754</b>	<b>693</b>	<b>768</b>	<b>1,163</b>
<b>Total district-wide</b>	<b>\$ 91,580,619</b>	<b>\$ 97,045,114</b>	<b>\$ 96,843,503</b>	<b>\$ 101,658,716</b>	<b>\$ 101,987,035</b>	<b>\$ 106,925,012</b>	<b>\$ 110,787,353</b>	<b>\$ 112,245,769</b>	<b>\$ 122,002,788</b>	<b>\$ 134,813,829</b>
<b>Change in Net Position</b>										
Governmental activities	\$ 786,825	\$ 804,878	\$ 583,864	\$ 2,330,368	\$ 6,844,510	\$ 15,267,977	\$ 3,403,110	\$ 2,072,526	\$ 2,356,068	\$ 1,501,580
Business-type activities				37,129	64,253	15,768	6,009	33,405	7,045	(38,912)
<b>Total district</b>	<b>\$ 786,825</b>	<b>\$ 804,878</b>	<b>\$ 583,864</b>	<b>\$ 2,367,497</b>	<b>\$ 6,908,763</b>	<b>\$ 15,283,745</b>	<b>\$ 3,409,119</b>	<b>\$ 2,105,931</b>	<b>\$ 2,363,113</b>	<b>\$ 1,462,668</b>

Source: CAFR Schedule A-2 and District records.

The District commenced operations of its food service enterprise fund during the 2009 fiscal year.

GASB 63 was implemented during the 2013 fiscal year which required reclassification of balances previously reported as net assets to net position.

Livingston Board of Education  
Fund Balances - Governmental Funds  
Last Ten Fiscal Years  
(modified accrual basis of accounting)  
Unaudited

	As of June 30,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Fund										
Reserved	\$ 1,537,326	\$ 1,334,053	\$2,507,498	\$2,104,121						
Unreserved	2,116,018	2,482,800	2,177,784	1,225,531						
Restricted					\$ 1,529,895	\$1,787,522	\$2,603,315	\$ 4,402,174	\$ 6,028,772	\$ 5,018,625
Assigned					748,065	1,618,550	1,382,881	525,508	670,709	524,747
Unassigned					2,495,826	2,842,943	2,615,086	2,634,903	2,412,411	2,501,855
Total general fund	<u>\$ 3,653,344</u>	<u>\$ 3,816,853</u>	<u>\$4,685,282</u>	<u>\$3,329,652</u>	<u>\$ 4,773,786</u>	<u>\$6,249,015</u>	<u>\$6,601,282</u>	<u>\$ 7,562,585</u>	<u>\$ 9,111,892</u>	<u>\$ 8,045,227</u>
All Other Governmental Funds										
Unreserved, reported in:										
Special revenue fund										\$ 2,302,593
Capital projects fund (deficit)	\$ 3,197,968	\$28,528,904	\$2,888,407	\$ (596,959)						
Debt service fund	377,498	1,179,227				\$ 10,013	\$ 53,510	\$ 323,480	\$ 87,680	234,706
Restricted for capital projects					\$ 23,905,996	5,059,573	3,799,090	9,749,837	(1,619,867)	6,436,140
Total all other governmental funds	<u>\$ 3,575,466</u>	<u>\$29,708,131</u>	<u>\$2,888,407</u>	<u>\$ (596,959)</u>	<u>\$ 23,905,996</u>	<u>\$5,069,586</u>	<u>\$3,852,600</u>	<u>\$10,073,317</u>	<u>\$ (1,532,187)</u>	<u>\$ 8,973,439</u>

Source: CAFR Schedule B-1 and District records.

Note 1: GASB #54 was implemented in the 2011 fiscal year, which required the presentation of governmental fund balances to be reported in different classifications from those presented in prior years (See footnote 1 in the basic financial statements). Prior years have not been restated, nor are they required to be.

Livingston Board of Education  
Changes in Fund Balances - Governmental Funds  
Last Ten Fiscal Years  
Unaudited

	Year ended June 30,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Revenues</b>										
Tax levy	\$ 76,363,536	\$ 81,093,043	\$ 84,486,478	\$ 89,655,057	\$ 93,008,740	\$ 95,135,065	\$ 96,389,153	\$ 98,818,890	\$ 100,856,708	\$ 104,029,438
Tuition charges	33,559	33,185	104,008	72,370	116,574	53,985	10,083	46,993	112,693	170,384
Interest earnings	851,502	1,438,113	485,083	34,904	65,852	96,553	38,900	61,224	23,943	47,132
Investment income										41,699
Rental income				464,417	418,764	487,216	496,484	601,549	586,959	564,534
Miscellaneous	660,132	563,384	765,056	276,478	154,859	410,544	389,913	780,894	636,806	633,408
State sources	14,394,143	14,701,036	11,905,239	12,852,852	13,348,247	23,681,722	14,600,118	13,180,841	15,016,087	16,645,702
Local sources	1,500	1,000	996	13,664	45,108	41,027	41,914	16,418	32,279	22,806
Federal sources	1,291,708	1,240,393	1,282,968	2,333,699	1,814,448	1,995,202	1,575,461	1,526,641	1,663,626	1,644,134
<b>Total revenue</b>	<b>93,596,080</b>	<b>99,070,154</b>	<b>99,029,828</b>	<b>105,703,441</b>	<b>108,972,592</b>	<b>121,901,314</b>	<b>113,542,026</b>	<b>115,033,450</b>	<b>118,929,101</b>	<b>123,799,237</b>
<b>Expenditures</b>										
Instruction										
Regular and Special Education Instruction	38,437,600	40,383,224	40,681,357	42,786,848	42,024,591	43,186,148	44,393,126	46,757,561	48,276,223	50,594,191
Undistributed:										
Instruction	5,153,028	5,377,117	5,866,152	6,810,121	7,490,876	7,131,761	7,205,470	6,247,242	6,305,889	6,476,692
Attendance and social work	237,866	246,212	246,405	73,647	81,403	62,593	58,889	49,494	54,685	67,821
Health services	850,440	902,524	937,304	956,004	849,055	901,743	919,492	944,287	938,827	983,322
Other support services	5,783,889	5,677,472	6,205,864	6,777,277	6,766,390	7,066,352	6,845,403	7,319,178	7,475,078	7,744,379
Improvement of instruction	1,348,685	1,175,439	1,239,693	1,637,143	1,687,413	1,792,477	1,757,197	1,870,400	2,057,792	1,904,505
School library	1,046,354	1,101,165	407,170	1,077,288	1,069,818	1,145,961	1,167,858	1,201,197	1,169,916	1,251,112
Instructional staff training	436,156	423,426	1,142,884	337,040	480,072	452,692	430,027	464,605	524,358	403,168
General administration	1,568,711	1,769,385	1,467,993	1,422,440	1,312,701	1,382,282	1,381,455	1,461,045	1,192,799	1,310,194
School administration	3,701,824	3,818,881	3,931,292	4,067,474	3,986,684	3,904,353	4,100,046	4,258,497	4,239,852	4,328,243
Required maintenance of plant	1,242,931	1,317,379	1,314,523	1,372,954	1,208,903	1,298,926	1,227,905	1,271,843	1,249,197	1,247,717
Operation of plant	4,250,394	4,703,725	5,146,113	5,153,046	5,349,562	5,458,252	5,315,576	5,600,664	5,575,230	5,485,748
Student transportation	3,066,686	3,091,127	3,176,225	3,061,159	2,549,481	2,935,670	3,189,477	2,929,453	2,925,012	3,004,148
Business and oth supp. svces & benefits	13,715,734	14,962,320	15,487,304	16,656,328	15,709,449	15,272,843	15,580,630	15,800,186	16,256,309	17,135,977
On Behalf TPAF social security & pension/medical contributions	9,091,174	9,230,834	5,846,472	6,290,285	6,105,549	7,302,384	9,437,008	8,157,415	9,822,692	11,507,978
Cost of issuance				144,797	96,800			53,298		
Capital outlay	6,683,486	20,704,375	28,507,302	8,255,244	19,167,762	34,168,616	4,707,251	4,860,773	14,396,288	5,720,943
Charter Schools									35,575	30,910
Costs of issuance										423,848
Debt service:										
Principal	1,055,000	900,000	1,130,000	2,180,000	2,340,000	2,385,000	3,160,000	3,585,000	4,005,000	4,310,000
Interest	765,867	1,310,295	3,465,062	2,880,139	2,565,316	4,152,840	3,574,080	3,520,142	3,684,577	3,153,228
<b>Total expenditures</b>	<b>98,435,825</b>	<b>117,094,900</b>	<b>126,199,115</b>	<b>111,939,234</b>	<b>120,841,825</b>	<b>140,000,893</b>	<b>114,450,890</b>	<b>116,352,280</b>	<b>130,185,299</b>	<b>127,084,124</b>
Excess (Deficiency) of revenues over (under) expenditures	(4,839,745)	(18,024,746)	(27,169,287)	(6,235,793)	(11,869,233)	(18,099,579)	(908,864)	(1,318,830)	(11,256,198)	(3,284,887)
<b>Other Financing sources (uses)</b>										
Capital leases (non-budgeted)	799,464	799,920	1,250,000	1,250,000	750,000	750,000			1,200,000	3,800,000
Bond proceeds		43,521,000			37,075,000			8,500,000		
Insurance recovery related to other costs of Super Storm Sandy							44,145			
Refunding bonds issued				12,405,000						69,510,000
Premium on bonds issued				873,835				850		8,886,902
Equity contribution										134,265
Payment to refunding bond escrow agent				(13,134,038)						(69,607,319)
Transfers in	377,498	1,101,729	610,052	15,290	53,849	815,679	424,584	18,119	234,691	2,967,026
Transfers out	(377,498)	(1,101,729)	(642,060)	(15,290)	(62,527)	(827,281)	(424,584)	(18,119)	(234,691)	(2,967,026)
<b>Total other financing sources (uses)</b>	<b>799,464</b>	<b>44,320,920</b>	<b>1,217,992</b>	<b>1,394,797</b>	<b>37,816,322</b>	<b>738,398</b>	<b>44,145</b>	<b>8,500,850</b>	<b>1,200,000</b>	<b>12,723,848</b>
<b>Net change in fund balances</b>	<b>\$ (4,040,281)</b>	<b>\$ 26,296,174</b>	<b>\$ (25,951,295)</b>	<b>\$ (4,840,996)</b>	<b>\$ 25,947,089</b>	<b>\$ (17,361,181)</b>	<b>\$ (864,719)</b>	<b>\$ 7,182,020</b>	<b>\$ (10,056,198)</b>	<b>\$ 9,438,961</b>
Debt service as a percentage of noncapital expenditures	2.0%	2.3%	4.7%	4.9%	4.8%	6.2%	6.1%	6.4%	6.6%	6.1%

Source: CAFR Schedule B-2

Livingston Board of Education  
 General Fund Other Local Revenue by Source  
 Last Ten Fiscal Years  
 Unaudited

Fiscal Year Ended June 30,	Tuition	Investment Income	Rentals	Transportation	Misc.	Total
2007	\$ 33,559	\$ 474,004	\$ 348,760	\$ 60,000	\$ 251,372	\$ 1,167,695
2008	33,185	336,384	396,499	88,270	78,615	932,953
2009	104,008	80,877	411,991	158,875	194,190	949,941
2010	72,370	19,614	464,417	158,408	118,070	832,879
2011	116,574	12,003	418,764	114,679	40,180	702,200
2012	53,985	80,874	487,216	310,880	89,651	1,022,606
2013	10,083	32,812	496,484	315,153	74,760	929,292
2014	46,993	43,955	601,549	301,983	68,119	1,062,599
2015	112,693	7,187	586,959	337,630	86,957	1,131,426
2016	170,384	34,656	564,534	372,107	105,544	1,247,225

Source: District Records

Livingston Board of Education  
 Assessed Value and Estimated Actual Value of Taxable Property  
 Last Ten Fiscal Years  
 Unaudited

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Commercial	Industrial	Apartments	Total Assessed Value	Public Utilities <sup>a</sup>	Net Valuation Taxable	Total Direct School Tax Rate <sup>b</sup>
2007	\$ 18,823,400	\$ 777,972,000	\$ 92,400	\$ 152,816,100	\$ 16,022,800		\$ 965,732,700	\$ 1,232,000	\$ 966,964,000	\$ 8.390
2008	17,553,700	785,266,900	82,400	141,261,400	15,766,000		959,946,400	1,363,000	961,309,400	8.789
* 2009	202,453,000	5,983,723,300	740,300	1,285,906,400	121,672,600	\$ 2,658,800	7,597,154,400	12,139,900	7,609,294,300	1.178
2010	169,485,100	5,967,646,796	740,300	1,256,161,078	121,318,500	2,658,800	7,518,010,574	12,139,900	7,530,150,474	1.236
2011	163,904,500	5,947,204,496	740,300	1,206,463,078	115,804,400	2,658,800	7,436,775,574	12,139,900	7,448,915,474	1.277
2012	155,825,800	5,925,469,396	740,300	1,084,979,478	112,693,200	2,658,800	7,282,366,974	12,139,900	7,294,506,874	1.321
2013	142,157,500	5,938,761,771	740,300	1,032,942,678	97,978,100	2,658,800	7,215,239,149	11,213,456	7,226,452,605	1.368
2014	116,045,300	5,953,673,571	740,300	1,002,976,178	90,110,600	2,658,800	7,166,204,749	9,716,768	7,175,921,517	1.406
2015	105,448,800	5,976,634,671	740,300	977,333,378	90,641,900	2,658,800	7,153,457,849	9,528,870	7,162,986,719	1.452
2016	115,384,300	5,993,856,017	734,300	979,149,578	104,657,200	2,658,800	7,196,440,195	9,738,270	7,162,986,719	1.482

Source: District records, Tax list summary & Municipal Tax Assessor and Collector, abstract of ratables, County Board of Taxation

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

\* Reassessment occurs when ordered by the County Board of Taxation. A reassessment took place during the 2009 fiscal year.

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

**b** Tax rates are per \$100

Livingston Board of Education  
 Direct and Overlapping Governments - Property Tax Rates  
 Last Ten Fiscal Years  
 (rate per \$100 of assessed value)  
 Unaudited

Fiscal Year Ended June 30,	Livingston Township School District			Overlapping Rates		Total Direct and Overlapping Tax Rate
	Basic Rate <sup>a</sup>	General Obligation Debt Service <sup>b</sup>	Total Direct	Livingston Township	Essex County	
2007	\$ 8.18	\$ 0.21	\$ 8.39	\$ 2.57	\$ 3.11	\$ 14.07
2008	8.58	0.21	8.79	2.79	3.19	14.77
2009 *	1.12	0.06	1.18	0.38	0.42	1.98
2010	1.18	0.06	1.24	0.39	0.41	2.04
2011	1.22	0.06	1.28	0.40	0.44	2.12
2012	1.26	0.06	1.32	0.41	0.47	2.20
2013	1.31	0.06	1.37	0.44	0.49	2.30
2014	1.35	0.06	1.41	0.45	0.53	2.38
2015	1.36	0.09	1.45	0.46	0.55	2.46
2016	1.38	0.10	1.48	0.47	0.55	2.50

**Source:** District Records and Municipal Tax Collector.

\* A reassessment was performed in the 2009 fiscal year.

**a** The District's basic tax rate is calculated from the A4F form which is submitted with the budget and the net valuation taxable.

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



Livingston Board of Education  
Principal Property Taxpayers  
Current Year and Nine Years Ago  
Unaudited

Taxpayer	2016			2007		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Livingston Mall	\$ 132,000,000	1	1.83%	\$ 21,614,100	1	3.81%
KRG Livingston Center, LLC	46,726,300	2	0.65%			
Livingston Circle Associates	38,000,000	3	0.53%	11,380,000	2	1.51%
CIT Group Inc.	31,992,000	4	0.44%	6,072,000	4	0.81%
Eastgreen, Inc.	30,175,000	5	0.42%	6,400,000	3	0.85%
Formosa Plastics, Corp., USA	28,000,000	6	0.39%	4,480,000	7	0.60%
Livingston Retirement Care Assoc.	28,000,000	7	0.39%	5,292,000	5	0.70%
Trustee Sears Facilities	21,709,700	8	0.30%			
Allwood Associates	21,500,000	9	0.30%			
Esplanade Livingston, LLC	20,000,000	10	0.28%	3,024,000	8	0.40%
Marsag, L.P.	20,000,000	11	0.28%	3,530,000	10	0.47%
Care Two, LLC	19,406,000	12	0.27%			
Hillside Northfield Partners, LLC	18,000,000	13	0.25%			
Singer Enterprises LLC	16,055,300	14	0.22%			
Northern LLC	16,000,000	15	0.22%	3,550,000	9	0.47%
G&S Livingston Realty				4,481,000	6	0.60%
Total	<u>\$ 487,564,300</u>		<u>6.77%</u>	<u>\$ 69,823,100</u>		<u>10.22%</u>

Source: Municipal Tax Assessor and Treasurer.

Livingston Board of Education  
Property Tax Levies and Collections  
Last Ten Fiscal Years  
Unaudited

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy Amount	Percentage of Levy	Collections in Subsequent Years
2007	\$ 76,363,536	\$ 76,363,536	100.00%	-
2008	81,093,043	81,093,043	100.00%	-
2009	84,486,478	84,486,478	100.00%	-
2010	89,655,057	89,655,057	100.00%	-
2011	93,008,740	93,008,740	100.00%	-
2012	95,135,065	95,135,065	100.00%	-
2013	96,389,153	96,389,153	100.00%	-
2014	98,818,890	98,818,890	100.00%	-
2015	100,856,708	100,856,708	100.00%	-
2016	104,029,438	104,029,438	100.00%	-

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

**Note:** School taxes are collected by the Municipal Tax Collector. Under New Jersey State Statute, a municipality is required to remit to the school district the entire property tax balance, prior to the end of the school year.

Livingston Board of Education  
Ratios of Outstanding Debt by Type  
Last Ten Fiscal Years  
Unaudited

Fiscal Year Ended June 30,	Governmental Activities				Total District	Percentage of Personal Income <sup>a</sup>	
	General Obligation Bonds*	Capital Leases	Bond Anticipation Notes	Grant Anticipation Notes		Income <sup>a</sup>	Per Capita <sup>a</sup>
2007	\$ 24,954,000	\$ 3,747,287	None		\$ 28,701,287	0.15%	\$ 43,951
2008	67,575,000	3,667,898	None		71,242,898	0.07%	46,895
2009	66,445,000	3,974,873	None		70,419,873	0.07%	50,156
2010	64,366,000	4,200,183	\$ 9,000,000		77,566,183	0.07%	51,617
2011	99,101,000	3,816,319	None		102,917,319	0.05%	51,617
2012	96,716,000	3,410,771	None	\$ 9,250,000	109,376,771	0.05%	59,342
2013	93,556,000	2,251,617	None	9,250,000	105,057,617	0.06%	60,577
2014	98,471,000	1,235,856	None	8,000,000	107,706,856	0.05%	54,879
2015	94,466,000	1,359,372	4,300,000	8,000,000	108,125,372	0.05%	54,606
2016	93,140,000	4,555,541	None	5,000,000	102,695,541	0.06%	58,319

Source: District CAFR Schedules I-1, I-2 and District records.

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

**a** See J-14 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

\* Does not include bond and notes authorized and not issued.

Livingston Board of Education  
Ratios of Net General Bonded Debt Outstanding  
Last Ten Fiscal Years  
Unaudited

Fiscal Year Ended June 30,	General Bonded Debt Outstanding		Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value <sup>a</sup> of Property	Per Capita <sup>b</sup>
	General Obligation Bonds and Notes	Deductions			
2007	\$ 24,954,000		\$ 24,954,000	0.81%	\$ 43,951
2008	67,575,000		67,575,000	2.19%	46,895
2009	66,445,000		66,445,000	0.87%	50,156
2010	73,366,000		73,366,000	0.97%	51,617
2011	99,101,000		99,101,000	1.33%	51,617
2012	105,966,000		105,966,000	1.45%	59,342
2013	102,806,000		102,806,000	1.42%	60,577
2014	106,471,000	\$ 323,480	106,147,520	1.48%	54,879
2015	102,466,000	87,680	102,378,320	1.43%	54,606
2016	98,140,000	234,706	97,905,294	1.36%	58,319

**Source:**

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

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

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

Livingston Board of Education  
Ratios of Overlapping Governmental Activities Debt  
As of June 30, 2016  
Unaudited

	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable <sup>a</sup></u>	<u>Estimated Share of Overlapping Debt</u>
<b>Debt repaid with property taxes</b>			
Livingston Township	\$ 93,696,143	100.00%	\$ 93,696,143
County of Essex**	384,971,602	8.28%	31,875,649
<b>Other debt</b>			
Municipal Utilities Authority	<u>29,760,000</u>	100.00%	<u>29,760,000</u>
Subtotal, overlapping debt			155,331,792
<b>Livingston Township School District Direct Debt*</b>			<u>104,316,143</u>
<b>Total direct and overlapping debt</b>			<u><u>\$ 259,647,935</u></u>

**Sources:** Livingston Township Finance Officer, Essex County Finance Office and Utility Authorities

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

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

\* Includes bonds and notes authorized but not issued in the amount of \$6,410,849.

\*\* 2013 information (latest available).

Livingston Board of Education  
 Legal Debt Margin Information,  
 Last Ten Fiscal Years  
 Unaudited

Legal Debt Margin Calculation for Fiscal Year 2016

	Equalized valuation basis
	2015 \$ 7,651,295,614
	2014 7,592,122,840
	2013 <u>7,493,370,325</u>
	<u>\$ 22,736,788,779</u>
Average equalized valuation of taxable property	<u>\$ 7,578,929,593</u>
Debt limit (4 % of average equalization value)	\$ 303,157,184
Net bonded school debt	* <u>104,316,143</u>
Legal debt margin	<u>\$ 198,841,041</u>

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Debt limit	\$ 287,774,824	\$ 307,352,168	\$ 313,780,288	\$ 319,449,317	\$ 318,454,434	\$ 315,283,754	\$ 305,485,359	\$ 300,587,113	\$ 299,917,352	\$ 303,157,184
Total net debt applicable to limit	<u>68,475,069</u>	<u>67,575,000</u>	<u>66,445,000</u>	<u>106,651,849</u>	<u>104,311,849</u>	<u>111,176,849</u>	<u>126,216,849</u>	<u>121,058,369</u>	<u>117,289,169</u>	<u>104,316,143</u>
Legal debt margin	<u>\$ 219,299,755</u>	<u>\$ 239,777,168</u>	<u>\$ 247,335,288</u>	<u>\$ 212,797,468</u>	<u>\$ 214,142,585</u>	<u>\$ 204,106,905</u>	<u>\$ 179,268,510</u>	<u>\$ 179,528,744</u>	<u>\$ 182,628,183</u>	<u>198,841,041</u>
Total net debt applicable to the limit as a percentage of debt limit	23.79%	21.99%	21.18%	33.39%	32.76%	35.26%	41.32%	40.27%	39.11%	34.41%

Source: Abstract of Ratables, Annual Report of the State of New Jersey, Department of the Treasury, Division of Taxation and District Records.

\* Includes bonds and notes authorized but not issued in the amount of \$6,410,849.

Livingston Board of Education  
Demographic and Economic Statistics  
Last Ten Fiscal Years  
Unaudited

Year	Population <sup>a</sup>	Personal Income (thousands of dollars) <sup>b</sup>	Per Capita Personal Income <sup>c</sup>	Unemployment Rate <sup>d</sup>
2007	28,119	N/A	\$ 43,951	2.8%
2008	27,990	N/A	46,895	2.5%
2009	27,961	N/A	50,156	3.3%
2010	27,584	N/A	51,617	6.4%
2011	27,584	N/A	51,617	6.5%
2012	29,366	N/A	59,342	6.1%
2013	29,526	N/A	60,577	6.2%
2014	29,594	N/A	54,879	5.5%
2015	29,931	N/A	54,606	4.5%
2016	29,849	N/A	58,319	3.8%

**Source:**

<sup>a</sup> Population information provided by the NJ Dept of Labor and Workforce Development.

<sup>b</sup> Personal income data is not available.

<sup>c</sup> Per Capita Personal Income information provided by NJ Dept of Labor and Workforce Development.

<sup>d</sup> Unemployment data provided by the NJ Dept of Labor and Workforce Development.

N/A - Not available.

Livingston Board of Education  
Principal Employers  
Current Year and Nine Years Ago  
Unaudited

Information was not available.



Livingston Board of Education  
 Full-time Equivalent District Employees by Function/Program  
 Last Ten Fiscal Years  
 Unaudited

<u>Function/Program</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Instruction										
Regular	377	390	388	388	392	394	397	398	399	402
Special education	50	47	49	50	53	55	59	63	67	67
Support services										
Student & instruction related services	89	94	94	94	95	99	102	102	104	104
General administrative services	20	12	12	12	12	13	13	13	13	13
School administrative services	42	43	43	43	43	42	42	42	42	42
Business administrative services	10	13	13	13	13	12	12	12	12	12
Plant operations and maintenance	54	55	55	55	56	55	57	57	57	57
Pupil transportation	27	28	28	28	27	27	28	27	28	28
Total	<u>669</u>	<u>682</u>	<u>682</u>	<u>683</u>	<u>691</u>	<u>697</u>	<u>710</u>	<u>714</u>	<u>722</u>	<u>725</u>

Source: District Personnel Records

Livingston Board of Education  
Operating Statistics  
Last Ten Fiscal Years  
Unaudited

Pupil/Teacher Ratio

Fiscal Year	Enrollment	Operating Expenditures <sup>a</sup>	Cost Per Pupil	Percentage Change	Teaching Staff <sup>b</sup>	Pupil/Teacher Ratio			Average Daily Enrollment (ADE) <sup>c</sup>	Average Daily Attendance (ADA) <sup>c</sup>	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School	High School				
2007	5,540	\$ 89,931,472	\$ 16,233	4.31%	427	1:13	1:11	1:11	5,535	5,341	2.58%	96.50%
2008	5,650	94,180,230	16,669	2.69%	437	1:13	1:11	1:11	5,587	5,387	0.94%	96.42%
2009	5,672	93,096,751	16,413	-1.53%	437	1:13	1:11	1:11	5,672	5,438	1.52%	95.87%
2010	5,706	98,479,054	17,259	5.15%	437	1:13	1:11	1:11	5,695	5,485	0.41%	96.31%
2011	5,746	96,671,947	16,824	-2.52%	445	1:13	1:11	1:11	5,740	5,553	0.79%	96.74%
2012	5,734	99,294,437	17,317	2.93%	449	1:13	1:11	1:11	5,732	5,551	-0.14%	96.84%
2013	5,830	103,009,559	17,669	2.03%	456	1:13	1:11	1:11	5,802	5,594	1.22%	96.42%
2014	5,875	104,333,067	17,759	0.51%	461	1:13	1:11	1:11	5,871	5,690	1.19%	96.92%
2015	5,893	108,099,434	18,344	3.29%	461	1:13	1:11	1:11	5,880	5,692	0.15%	96.80%
2016	5,950	113,476,105	19,072	3.97%	466	1:13	1:11	1:11	5,926	5,731	0.78%	96.71%

Sources: District records and ASSA.

Note: Enrollment based on annual October district count.

- a Operating expenditures equal total expenditures less debt service and capital outlay; Schedule J-4
- b Teaching staff includes only full-time equivalents of certificated staff.
- c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

Livingston Board of Education  
School Building Information  
Last Ten Fiscal Years  
Unaudited

<b>District Building</b>	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Elementary</b>										
<b>Burnet Hill Elementary</b>										
Square Feet	51,521	51,521	51,521	51,521	51,521	51,521	51,521	51,521	51,521	55,467
Capacity (students)	412	412	412	412	412	412	412	412	412	522
Enrollment	437	416	435	452	432	413	454	440	464	472
<b>Riker Hill Elementary</b>										
Square Feet	48,279	48,279	48,279	48,279	48,279	48,279	48,279	48,279	48,279	53,440
Capacity (students)	386	386	386	386	386	386	386	386	386	414
Enrollment	452	427	428	403	423	417	421	406	400	398
<b>Collins Elementary</b>										
Square Feet	48,589	48,589	48,589	48,589	48,589	48,589	48,589	48,589	48,589	53,309
Capacity (students)	389	389	389	389	389	389	389	389	389	424
Enrollment	426	419	415	413	427	424	432	452	453	481
<b>Harrison Elementary</b>										
Square Feet	64,555	64,555	64,555	64,555	64,555	64,555	64,555	64,555	64,555	75,151
Capacity (students)	516	516	516	516	516	516	516	516	516	656
Enrollment	525	531	536	549	535	528	517	485	487	480
<b>Hillside Elementary</b>										
Square Feet	45,168	45,168	45,168	45,168	45,168	45,168	45,168	45,168	45,168	51,694
Capacity (students)	361	361	361	361	361	361	361	361	361	529
Enrollment a	434	439	440	413	401	398	412	406	412	407
<b>Mount Pleasant Elementary</b>										
Square Feet	48,086	48,086	48,086	48,086	48,086	48,086	48,086	48,086	48,086	48,086
Capacity (students)	385	385	385	385	385	385	385	385	385	385
Enrollment	389	412	412	414	428	423	435	450	454	446
<b>Middle Schools</b>										
<b>Heritage</b>										
Square Feet	150,861	150,861	150,861	150,861	150,861	150,861	150,861	150,861	150,861	150,861
Capacity (students)	1,152	1,152	1,152	1,152	1,152	1,152	1,152	1,152	1,152	1,152
Enrollment	813	897	898	929	921	893	921	918	920	973
<b>Mount Pleasant</b>										
Square Feet	87,421	87,421	87,421	87,421	87,421	87,421	87,421	87,421	87,421	87,421
Capacity (students)	667	667	687	687	687	687	687	687	687	687
Enrollment	421	452	451	451	435	477	425	471	476	463
<b>High School</b>										
<b>Livingston High School</b>										
Square Feet	213,351	213,351	302,127	302,127	302,127	302,127	302,127	302,127	302,127	302,127
Capacity (students)	1,413	1,413	1,736	1,736	1,736	1,736	1,736	1,736	1,736	1,736
Enrollment	1,643	1,657	1,657	1,682	1,744	1,761	1,813	1,847	1,827	1,830

Number of Schools at June 30, 2016

High School = 1  
Elementary = 6  
Middle Schools = 2

Source: District records, ASSA

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

Livingston Board of Education  
 General Fund  
 Schedule of Required Maintenance for School Facilities  
 Last Ten Fiscal Years  
 Unaudited

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

School Facilities	Project # (s)	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Livingston High School	50	\$ 349,361	\$349,774	\$ 356,114	\$ 343,815	\$ 363,700	\$ 338,494	\$ 384,428	\$ 368,067	\$ 377,606	\$ 349,446
Heritage Middle School	55	237,066	237,347	241,650	233,302	246,796	229,692	260,860	249,759	247,135	237,309
Mt. Pleasant Middle School	60	162,203	162,396	165,340	159,628	168,860	157,157	178,484	170,888	168,668	160,925
Burnet Hill	70	87,340	87,444	89,029	85,953	90,925	84,623	96,108	92,018	91,852	86,391
Collins	80	74,863	74,952	76,311	73,674	77,936	77,936	82,377	78,871	78,576	77,337
Harrison	90	112,295	112,428	114,466	110,511	116,903	108,801	123,566	118,307	117,814	111,318
Hillside	100	74,863	74,952	76,311	73,674	77,936	77,936	82,377	78,871	78,576	72,744
Mt. Pleasant	110	74,863	74,952	76,311	73,674	77,936	77,936	82,377	78,871	78,576	74,457
Riker Hill	118	74,863	74,952	76,311	73,674	77,936	77,936	82,377	78,871	78,576	73,004
Total School Facilities		<u>\$ 1,247,717</u>	<u>\$ 1,249,197</u>	<u>\$ 1,271,843</u>	<u>\$ 1,227,905</u>	<u>\$ 1,298,926</u>	<u>\$ 1,208,903</u>	<u>\$ 1,372,954</u>	<u>\$ 1,314,523</u>	<u>\$ 1,317,379</u>	<u>\$ 1,242,931</u>

Source: District records of required maintenance.

Livingston Board of Education  
Insurance Schedule  
Year ended June 30, 2016  
Unaudited

Type of Coverage	Coverage	Deductible
School Package Policy - General Security Property & Casualty Company:		
Blanket building and contents	\$ 250,000,000	\$ 5,000
Contractors equipment	25,000,000	5,000
Flood/earthquake	10,000,000	5,000
Comprehensive general liability	5,000,000	N/D
Employee benefit liability	5,000,000	5,000
Business Income	500,000	5,000
Auto policy-General Security Property and Casualty Company:		
Liability	5,000,000	N/D
Hired/non-owned	5,000,000	N/D
Uninsured motorist	5,000,000	N/D
Excess Liability	10,000,000	N/D
Boiler and machinery-Hartford Steam Boiler:		
Property damage	100,000,000	2,500
Crime Policy-General Security Property and Casualty Company:		
Public employee dishonesty	400,000	15,000
Forgery or alteration	50,000	1,000
Theft, disappearance and destruction	50,000	1,000
Public Officials Bonds-Universal Bonding/Western Surety:		
Business Administrator	500,000	N/D
Manager of Accounting and Finance	10,000	N/D

Source: District Records

N/D - No deductible

# Single Audit Section

Report on Internal Control Over Financial Reporting and on Compliance  
and Other Matters Based on an Audit of Financial Statements Performed  
in Accordance with *Government Auditing Standards*

Independent Auditors' Report

Honorable President and  
Members of the Board  
Livingston Board of Education  
Livingston, New Jersey  
County of Essex

We have audited, in accordance with the auditing standards generally accepted in the United States of America; audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Livingston Board of Education, in the County of Essex, New Jersey (the "District") as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 2, 2016.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we 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 severe than a material weakness, yet important enough to merit attention by those charged with governance.

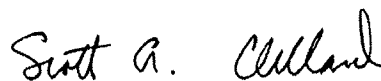
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

### **Compliance and Other Matters**

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

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results 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.



Scott A. Clelland  
Licensed Public School Accountant  
No. 1049



WISS & COMPANY, LLP

December 2, 2016  
Livingston, New Jersey



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 15-08

Independent Auditors' Report

Honorable President and  
Members of the Board  
Livingston Board of Education  
Livingston, New Jersey  
County of Essex

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

We have audited the Livingston Board of Education's, in the County of Essex, New Jersey (the "District") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the District's major federal and state programs for the year ended June 30, 2016. The District's major federal and state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

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

***Auditors' Responsibility***

Our responsibility is to express an opinion on compliance for each of the District's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards*

(Uniform Guidance); and New Jersey OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards, the Uniform Guidance and New Jersey OMB Circular 15-08 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal 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 we considered necessary in the circumstances.

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

### ***Opinion on Each Major Federal and State Program***

In our 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, 2016.

### **Report on Internal Control Over Compliance**

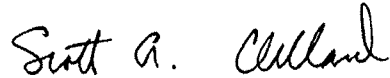
Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the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

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

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

## Purpose of the Report

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



Scott A. Clelland  
Licensed Public School Accountant  
No. 1049



WISS & COMPANY, LLP

December 2, 2016  
Livingston, New Jersey

Livingston Board of Education  
Schedule of Expenditures of Federal Awards

Year ended June 30, 2016

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Federal FAIN Number	Grant Period	Award Amount	June 30, 2015			Carryover Amount	Cash Received	Budgetary Expenditures	Repayment of PY Balances	June 30, 2016		
					Unearned Revenue	(Accounts Receivable)	Due to Grantor					(Accounts Receivable)	Unearned Revenue	Due to Grantor
<b>General Fund:</b>														
<b>U.S. Department of Health and Human Services--</b>														
<b>Passed Through the State Department of Education:</b>														
Medicaid Assistance	93.778	1605NJ5MAP	7/1/15-6/30/16	\$ 6,593				\$ 6,593	\$ (6,593)					
Medicaid Assistance - SEMI	93.778	1605NJ5MAP	7/1/15-6/30/16	25,162					(25,162)			\$ (25,162)		
Total general fund								6,593	(31,755)			(25,162)		
<b>Special Revenue Fund:</b>														
<b>U.S. Department of Education -</b>														
<b>Passed Through the State Department of Education:</b>														
Title I, Part A	84.010A	S010A150030	7/1/15-6/30/16	137,415				87,312	(137,415)			(50,103)		
Title I, Part A	84.010A	S010A150030	7/1/14-6/30/15	134,507	\$ (57,618)			57,618						
Title II-A	84.367A	S367A150029	7/1/15-6/30/16	69,846				62,796	(69,846)			(7,050)		
Title II-A	84.367A	S367A150029	7/1/14-6/30/15	71,426		(35,426)		35,426						
Title III	84.365A	S365A150030	7/1/15-6/30/16	22,386				16,386	(22,386)			(6,000)		
Title III	84.365A	S365A150030	7/1/14-6/30/15	20,973		(20,973)		20,973						
Title III Immigrant	84.365A	S365A150030	7/1/15-6/30/16	9,658				9,658	(9,658)					
Title III Immigrant	84.365A	S365A150030	7/1/14-6/30/15	9,064		(9,064)		9,064						
Race to the Top	84.413A	S413A120008	7/1/12-9/30/15	9,768				5,673	(5,673)					
IDEA Part B, Basic	84.027A	S027A150100	7/1/15-6/30/16	1,315,447				1,171,568	(1,313,864)			(142,296)		
IDEA Part B, Basic	84.027A	S027A150100	7/1/14-6/30/15	1,255,220		(315,781)		315,781						
IDEA Part B, Preschool	84.173A	S173A150114	7/1/15-6/30/16	53,537				44,969	(53,537)			(8,568)		
IDEA Part B, Preschool	84.173A	S173A150114	7/1/14-6/30/15	51,817		(15,075)		15,075						
Total Special Revenue Fund						(453,937)		1,852,299	(1,612,379)			(214,017)		
Total Federal Awards					\$ -	\$ (453,937)	\$ -	\$ 1,858,892	\$ (1,644,134)	\$ -	\$ (239,179)	\$ -	\$ -	

See accompanying notes to schedules of expenditures of federal awards and state financial assistance.

Livingston Board of Education  
Schedule of Expenditures of State Financial Assistance

Year ended June 30, 2016

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	June 30, 2015			Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Adjustments	June 30, 2016			Memo	
				Unearned Revenue	(Accounts Receivable)	Due to Grantor					Unearned Revenue	(Accounts Receivable)	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures
<b>State Department of Education</b>															
<b>General Fund:</b>															
Special Education Aid	495-034-5120-089	7/1/15-6/30/16	\$ 2,114,543				\$ 1,917,531	\$ (2,114,543)					\$ (197,012)	\$ (2,114,543)	
Special Education Aid	495-034-5120-089	7/1/14-6/30/15	2,114,543	\$ (196,745)			196,745								
Transportation Aid	495-034-5120-014	7/1/15-6/30/16	211,108				191,439	(211,108)					(19,669)	(211,108)	
Transportation Aid	495-034-5120-014	7/1/14-6/30/15	211,108	(19,642)			19,642								
Security Aid	495-034-5120-084	7/1/15-6/30/16	91,185				82,689	(91,185)					(8,496)	(91,185)	
Security Aid	495-034-5120-084	7/1/14-6/30/15	91,185	(8,484)			8,484								
PARCC Readiness Aid	495-034-5120-098	7/1/15-6/30/16	59,680				54,120	(59,680)					(5,560)	(59,680)	
PARCC Readiness Aid	495-034-5120-098	7/1/14-6/30/15	59,680	(5,553)			5,553								
Per Pupil Growth Aid	495-034-5120-097	7/1/15-6/30/16	59,680				54,120	(59,680)					(5,560)	(59,680)	
Per Pupil Growth Aid	495-034-5120-097	7/1/14-6/30/15	59,680	(5,553)			5,553								
Extraordinary Aid	100-034-5120-473	7/1/15-6/30/16	907,478								\$ (907,478)			(907,478)	
Extraordinary Aid	100-034-5120-473	7/1/14-6/30/15	971,648	(971,648)			971,648								
Additional NonPublic Transportation Aid	Not available	7/1/15-6/30/16	22,211									(22,211)		(22,211)	
Additional NonPublic Transportation Aid	Not available	7/1/14-6/30/15	23,786	(23,786)			23,786								
On-Behalf TPAF Pension and Medical Contributions	495-034-5094-001/002/004	7/1/15-6/30/16	7,975,442				7,975,442	(7,975,442)						(7,975,442)	
Reimbursed TPAF - Social Security	495-034-5094-003	7/1/15-6/30/16	3,532,536				3,537,086	(3,532,536)				(175,450)		(3,532,536)	
Reimbursed TPAF - Social Security	495-034-5094-003	7/1/14-6/30/15	3,418,721	(169,646)			169,646								
<b>Total General Fund</b>				<b>(1,401,057)</b>			<b>15,033,484</b>	<b>(14,973,863)</b>				<b>(1,105,139)</b>	<b>(236,297)</b>	<b>(14,973,863)</b>	
<b>Special Revenue Fund:</b>															
<b>New Jersey Non-Public Aid:</b>															
Textbook Aid	100-034-5120-064	7/1/15-6/30/16	50,077				50,077	(49,383)					\$ 694	(49,383)	
Textbook Aid	100-034-5120-064	7/1/14-6/30/15	52,253		\$ 835				\$ (835)						
Technology Aid	100-034-5120-373	7/1/15-6/30/16	38,038				38,038	(37,951)					87	(37,951)	
Technology Aid	100-034-5120-373	7/1/14-6/30/15	46,720		44				(44)						
Security Aid	100-034-5120-509	7/1/15-6/30/16	37,375				37,375	(35,761)					1,614	(35,761)	
<b>Non Public Auxiliary Services (Ch. 192):</b>															
English as a Second Language	100-034-5120-067	7/1/15-6/30/16	6,040				6,040	(1,725)					4,315	(1,725)	
English as a Second Language		7/1/14-6/30/15	1,096		182				(182)						
Compensatory Education		7/1/15-6/30/16	44,162				44,162	(43,061)					1,101	(43,061)	
Compensatory Education		7/1/14-6/30/15	44,074		3,494				(3,494)						
Home Instruction		7/1/15-6/30/16	3,618									(3,618)		(3,618)	
Home Instruction		7/1/14-6/30/15	7,699	(7,699)			7,699								
<b>Non Public Handicapped Services (Ch. 193):</b>															
Supplemental Instruction	100-034-5120-066	7/1/15-6/30/16	97,499				97,499	(95,114)					2,385	(95,114)	
Supplemental Instruction		7/1/14-6/30/15	92,595		6,278				(6,278)						
Examination and Classification		7/1/15-6/30/16	216,272				216,272	(188,168)					28,104	(188,168)	
Examination and Classification		7/1/14-6/30/15	234,119		34,584				(34,584)						
Corrective Speech		7/1/15-6/30/16	84,443				84,443	(63,369)					21,074	(63,369)	
Corrective Speech		7/1/14-6/30/15	111,322		40,995				(40,995)						
Non Public Nursing Services	100-034-5120-070	7/1/15-6/30/16	134,550				134,550	(134,550)						(134,550)	
Non Public Nursing Services		7/1/14-6/30/15	143,889		854				(854)						
<b>Total Special Revenue Fund</b>				<b>(7,699)</b>	<b>87,266</b>		<b>716,155</b>	<b>(652,700)</b>				<b>(3,618)</b>	<b>59,374</b>	<b>(652,700)</b>	
<b>Capital Projects Fund:</b>															
New Jersey School Development Authority Grants	Various	7/1/09-completion	22,896,440	(5,845,039)			5,060,611	(373,924)		\$ 252,362		(905,990)		(18,788,430)	
<b>Total Capital Projects Fund</b>				<b>(5,845,039)</b>			<b>5,060,611</b>	<b>(373,924)</b>		<b>252,362</b>		<b>(905,990)</b>		<b>(18,788,430)</b>	
<b>Debt Service Fund:</b>															
Debt Service Aid	495-034-5120-017	7/1/15-6/30/16	897,897				897,897	(897,897)						(897,897)	
<b>Total Debt Service Fund</b>							<b>897,897</b>	<b>(897,897)</b>						<b>(897,897)</b>	
<b>Total State Financial Assistance</b>				<b>\$ -</b>	<b>\$ (7,253,795)</b>	<b>\$ 87,266</b>	<b>\$ 21,708,147</b>	<b>\$ (16,898,384)</b>	<b>\$ (87,266)</b>	<b>\$ 252,362</b>	<b>\$ -</b>	<b>\$ (2,014,747)</b>	<b>\$ 59,374</b>	<b>\$ (236,297)</b>	<b>\$ (35,312,890)</b>
<b>State Financial Assistance Not Subject to Single Audit Determination:</b>															
On-Behalf TPAF Pension and Medical Contributions	495-034-5094-001/006/007	7/1/15-6/30/16	7,975,442				7,975,442	(7,975,442)						(7,975,442)	
<b>Total State Financial Assistance Subject to Single Audit Determination</b>				<b>\$ -</b>	<b>\$ (7,253,795)</b>	<b>\$ 87,266</b>	<b>\$ 13,732,705</b>	<b>\$ (8,922,942)</b>	<b>\$ (87,266)</b>	<b>\$ 252,362</b>	<b>\$ -</b>	<b>\$ (2,014,747)</b>	<b>\$ 59,374</b>	<b>\$ (236,297)</b>	<b>\$ (27,337,448)</b>

See accompanying notes to schedules of expenditures of federal awards and state financial assistance.

## Livingston Board of Education

### Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance

Year ended June 30, 2016

#### **1. General**

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

#### **2. Basis of Accounting**

The accompanying schedules of expenditures of federal awards and state financial assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the enterprise fund, which are presented using the accrual basis of accounting and those recorded in the special revenue fund, which are presented using the budgetary basis of accounting. These bases of accounting are described in Note 1 to the District's basic financial statements. The information in these schedules are presented in accordance with the requirements of 2 CFR 200-*Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and New Jersey OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Therefore, some amounts presented in these schedules may differ from amounts presented, or used in the preparation of, the basic financial statements.

#### **3. Relationship to Basic Financial Statements**

Amounts reported in the accompanying schedules agree with amounts reported in the District's basic financial statements. The basic financial statements present the general fund and special revenue fund on a GAAP basis. Budgetary comparison schedules and statements (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.

Livingston Board of Education

Notes to Schedules of Expenditures of  
Federal Awards and State Financial Assistance

Year ended June 30, 2016

**3. Relationship to Basic Financial Statements (continued)**

For GAAP purposes, those payments are not recognized until the subsequent year due to the state deferral and recording of the last two 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 last state aid payment in the current budget year, consistent with N.J.S.A. 18A:22-44.2.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$320 for the general fund. See Note to Required Supplementary Information for a reconciliation for the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds (C-3). Federal and State award revenues are reported in the District's basic financial statements on a GAAP basis as follows:

	<b>Federal</b>	<b>State</b>	<b>Total</b>
General Fund	\$ 31,755	\$ 14,973,543	\$ 15,005,298
Special Revenue Fund	1,612,379	652,700	2,265,079
Capital Projects Fund		121,562	121,562
Debt Service Fund		897,897	897,897
Total financial award revenues	<u>\$ 1,644,134</u>	<u>\$ 16,645,702</u>	<u>\$ 18,289,836</u>

**4. Relationship to Federal and State Financial Reports**

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

Livingston Board of Education

Notes to Schedules of Expenditures of  
Federal Awards and State Financial Assistance

Year ended June 30, 2016

**5. Adjustments**

The adjustments presented on schedule K-4 are the result of the cancellation of prior year accounts receivable.

**6. Indirect Costs**

The District did not use the 10% de minimis indirect cost rate.

**7. Other**

TPAF Social Security Contributions represent the amount reimbursed by the State for the employer's share of Social Security contributions for TPAF members for the year ended June 30, 2016.

The post retirement pension and medical benefits received on-behalf of the District for the year ended June 30, 2016 amounted to \$7,975,442. Since on-behalf post retirement pension and medical benefits are paid by the State directly, these expenditures are not subject to a single audit in accordance with New Jersey OMB Circular 15-08, however they are reported on the Schedule of Expenditures of State Financial Assistance, as directed by the funding agency.



Livingston Board of Education  
Schedule of Findings and Questioned Costs  
Year ended June 30, 2016

**Part I – Schedule of Auditors’ Results**

**Financial Statements**

Type of auditors’ report issued: \_\_\_\_\_ Unmodified \_\_\_\_\_

Internal control over financial reporting:

Are any material weaknesses identified? \_\_\_\_\_ Yes   X   No

Are any significant deficiencies identified? \_\_\_\_\_ Yes   X   None Reported

Is any noncompliance material to financial statements noted? \_\_\_\_\_ Yes   X   No

**Federal Awards**

Internal control over major federal programs:

Are any material weaknesses identified? \_\_\_\_\_ Yes   X   No

Are any significant deficiencies identified? \_\_\_\_\_ Yes   X   None Reported

Type of auditors’ report issued on compliance for major federal programs: \_\_\_\_\_ Unmodified \_\_\_\_\_

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? \_\_\_\_\_ Yes   X   No

Identification of major federal programs:

CFDA Number(s)	FAIN Number	Name of Federal Program or Cluster
84.027,84.173	S027A150100/S173A150114	IDEA Part B, Basic and Preschool Cluster

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

Auditee qualified as low-risk auditee?   X   Yes \_\_\_\_\_ No



Livingston Board of Education  
Schedule of Findings and Questioned Costs  
Year ended June 30, 2016

**Part II - Schedule of Financial Statement Findings**

No financial statement findings noted that are required to be reported under *Government Auditing Standards*.

Livingston Board of Education  
Schedule of Findings and Questioned Costs  
Year ended June 30, 2016

**Part III - Schedule of Federal Awards and State Financial  
Assistance Findings and Questioned Costs**

No federal award or state financial assistance program compliance findings or questioned costs were noted that are required to be reported in accordance with 2 CFR 200 section .516(a) or NJ OMB Circular Letter 15-08.

Livingston Board of Education  
Summary Schedule of Prior Year Audit Findings  
Year ended June 30, 2016

No prior year findings were noted.