

# 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, 2017*

# **Livingston Board of Education**

## **Livingston Township, New Jersey**

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

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**

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Livingston, New Jersey 07039

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Steven K. Robinson  
Business Administrator/Board Secretary

November 30, 2017

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, 2017, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the 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, 2017 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 the 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 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 and findings and questioned costs, is 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 2016-2017 fiscal year with an average daily enrollment of 5,913 students, which is a decrease of 13 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><u>Fiscal Year</u></b>	<b><u>Student Enrollment</u></b>	<b><u>Percent Change</u></b>
2016-17	5,913	(0.22)%
2015-16	5,926	0.78
2014-15	5,880	0.15
2013-14	5,871	1.19
2012-13	5,802	1.22

## **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 Language Arts, Mathematics, Social Studies, Visual/Performing Arts, Comprehensive Health/Physical Education, Technology, World Languages, 21<sup>st</sup> Century Life and Careers, 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 and ties into our district goals of Differentiation and Individualized Learning, Building Quality Assessments for ALL Learners, Mindfulness for Building Relationships, and Questioning and Inquiry-Designing Questions and Learning Tasks to Access Student Thinking and Understanding. Specific topics and initiatives for this year include: Assessment and Student Learning, Classroom Management, Instructional Strategies, Home and School-Health and Safety, Best Practices in ELA and Mathematics Instruction, Social and Emotional Learning, Special Populations, STEAM, Technology, and Transition. 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. Technology is integrated into this instructional approach. Our elementary math supervisor trained teachers in grades 2 through 5 in the use of 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 teacher uses 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 6th grade, Surface 3's are utilized. Students in grades 7 through 12 are part of a 1:1 computer initiative. All K-12 teachers have a Surface 4 to support their integration of technology in every subject area. To support these initiatives, we have 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 curricula. 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 as well as in the humanities.

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 rewritten to meet the New Jersey Student Learning Standards in English Language Arts, and resources were purchased to support implementation of the standards. The DRA2

assessment tool was implemented to track long range growth and achievement in the areas of reading engagement, fluency (expression, rate, and accuracy) and comprehension in grades K-6.

## **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, a Director of Special Education, Curriculum Directors, a Secondary Supervisor of Special Education, a Director of School Counseling, 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 progress towards district goals and expectations, 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 including local, state, and national conferences. Administrators and content supervisors provide professional development opportunities throughout the school year. These include specific PD days, in-service trainings, after-school courses, department days, professional learning teams, and faculty meetings. A priority in professional development this past year continues to focus on 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 and to participate in the New Teacher Mentoring Program.

### **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, as well as to evaluate whether the District has complied with applicable laws, regulations, contracts and grants.

#### **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 State Department of Education. Annual appropriated budgets are adopted for the general fund, the special revenue fund and the debt service fund. Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the 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, 2017.

#### **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.

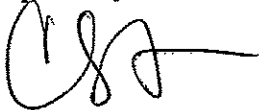
**8. Other Information**

*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 Federal Uniform Guidance and New Jersey OMB Circular 15-08. The auditors' report on the basic financial statements and combining and individual fund statements, required supplementary information and other supplementary information are 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**

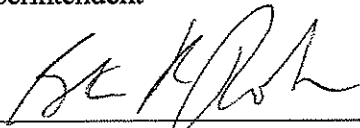
We would like to express our appreciation to the members of the Livingston School Board for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial operation. 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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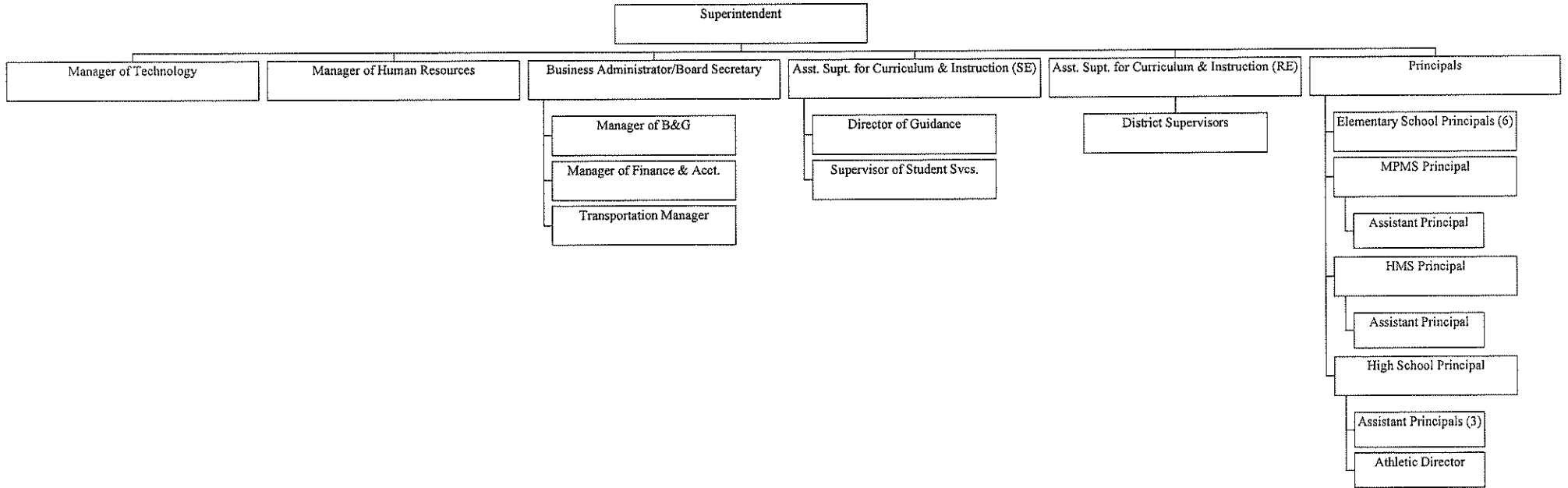
Christina Steffner  
Superintendent



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Steven K. Robinson  
Business Administrator/Board Secretary

Livingston Board of Education  
Organizational Chart  
June 30, 2017



Livingston Board of Education

Roster of Officials

As of June 30, 2017

<b><u>Members of the Board of Education (as of June 30, 2017)</u></b>	<b><u>Term Expires</u></b>
Mrs. Ronnie Ferber Konner, President	2019
Mrs. Pamela Chirls, Vice-President	2019
Mr. Charles August	2017
Ms. Samantha Messer	2018
Mr. George Shen	2018

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

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, 2017, 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, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

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

Accounting principles generally accepted in the United States of America require that 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 accompanying supplementary information such as the combining and individual fund financial statements, long-term debt schedules and the schedules of expenditures of federal awards and state financial assistance, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200 Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance) and New Jersey OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State

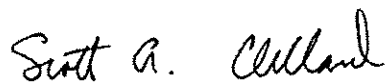
*Grants and State Aid*, respectively, and the other information, such as the introductory and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements, long-term debt schedules and the schedules of expenditures of federal 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, 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 November 30, 2017 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 solely 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 the effectiveness of the District's 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

November 30, 2017  
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  
Year ended June 30, 2017

This management discussion and analysis of the Livingston Board of Education's (the "District") financial performance provides an overview of the District's financial activities for the fiscal year ended June 30, 2017. 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 2017 are as follows:

- Total net position is \$35,851,014. 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 \$146,945,816 of revenue or 96 percent of all revenues. Program specific revenues in the form of charges for services, operating and capital contributions accounted for \$6,296,361 or 4 percent of total revenues of \$153,242,177 (Schedule A-2).
- The District had \$133,586,277 in governmental funds expenditures (Schedule B-2). Of that amount, the General Fund expenditures totaled \$118,116,433 including \$13,351,771 in State on-behalf TPAF pension and social security contributions. Grant-related expenditures totaled \$4,731,109 in the special revenue fund. Business-type activities expenses were \$2,139,565 (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 the 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.

	2017			2016		
	Governmental Activities	Business- type Activities	Total	Governmental Activities	Business- type Activities	Total
<b>Assets:</b>						
Current and other assets	\$ 13,412,215	\$ 356,890	\$ 13,769,105	\$ 22,634,419	\$ 357,578	\$ 22,991,997
Capital assets, net	156,271,132	64,260	156,335,392	154,632,243		154,632,243
Total assets	169,683,347	421,150	170,104,497	177,266,662	357,578	177,624,240
Deferred outflows of resources	16,292,107		16,292,107	8,341,246		8,341,246
<b>Liabilities:</b>						
Current liabilities	10,384,385	330,938	10,715,323	14,359,049	232,881	14,591,930
Long-term liabilities	139,175,638		139,175,638	134,056,168		134,056,168
Total liabilities	149,560,023	330,938	149,890,961	148,415,217	232,881	148,648,098
Deferred inflow of resources	654,629		654,629	1,300,790		1,330,790
<b>Net position:</b>						
Net investment in capital assets	58,713,884	64,260	58,778,144	59,527,328		59,527,328
Restricted	8,775,638		8,775,638	5,540,059		5,540,059
Unrestricted (deficit)	(31,728,720)	25,952	(31,702,768)	(29,175,486)	124,697	(29,050,789)
Total net position	\$ 35,760,802	\$ 90,212	\$ 35,851,014	\$ 35,891,901	\$ 124,697	\$ 36,016,598

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 current year depreciation expense, as there was \$2.8 million of additions to construction-in-progress in the current year. Current and other assets decreased mainly due to the decrease in cash and cash equivalents due to current year fiscal results, as well as the payoff of the grant anticipation note of \$5,000,000.

Current liabilities decreased mainly due to the payoff of the grant anticipation note issued in the prior year for \$5,000,000 recorded in the capital projects fund.

Long-term liabilities increased mainly due to the increase in the net pension liability, which is the result of the actuarial valuation of the PERS pension liability completed for the current fiscal year. This increase is offset by current year bond and capital lease principal payments.

Net investment in capital assets decreased by approximately \$1.5 million, most significantly related to the increase in capital leases which is a reduction of the net investment in capital assets. 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 increase primarily resulted from a decrease in the District's net investment in capital assets.

The following table presents changes in net position for the fiscal years ended June 30, 2017 and 2016.

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

	2017			2016		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
<b>Revenues:</b>						
Program revenues:						
Charges for services	\$ 730,894	\$ 2,102,683	\$ 2,833,577	\$ 542,491	\$ 1,691,124	\$ 2,233,615
Operating grants and contributions	2,428,516		2,428,516	2,287,885		2,287,885
Capital grants and contributions	1,034,268		1,034,268	121,562		121,562
Total program revenues	4,193,678	2,102,683	6,296,361	2,951,938	1,691,124	4,643,062
General revenues:						
Property taxes	106,771,328		106,771,328	104,029,438		104,029,438
Federal aid not restricted to specific purposes	7,123		7,123	31,755		31,755
State aid not restricted to specific purposes	39,393,728		39,393,728	29,897,757		29,897,757
Investment earnings	150,948	2,397	89,994	88,831	1,163	89,994
Rental income	504,525		504,525	564,534		564,534
Miscellaneous	115,767		115,767	200,351		200,351
Total general revenues	146,943,419	2,397	146,945,816	134,812,666	1,163	134,813,829
<b>Expenses:</b>						
Instructional services	97,533,309		97,533,309	87,448,186		87,448,186
Support services	50,311,807	2,139,565	52,451,372	44,344,095	1,731,199	46,075,294
Charter Schools	35,671		35,671	30,910		30,910
Interest on long-term debt	3,387,409		3,387,409	4,439,833		4,439,833
Total expenses	151,268,196	2,139,565	153,407,761	136,263,024	1,731,199	137,994,223
Change in net position	(131,099)	(34,485)	(165,584)	1,501,580	(38,912)	1,462,668
Net position – beginning	35,891,901	124,697	36,016,598	34,390,321	163,609	34,553,930
Net position – ending	\$ 35,760,802	\$ 90,212	\$ 35,851,014	\$ 35,891,901	\$ 124,697	\$ 36,016,598

Property taxes made up 70.6% of revenues for governmental activities for the District for fiscal year 2017. Federal and state unrestricted aid accounted for another 26.1% of revenue.

The total cost of all programs and services was \$153,407,761. Instruction comprised 63.6% 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 state revenue related to the New Jersey Schools Development Authority funding expended during the 2017 fiscal year as more funds were expended than in the prior year, as the projects were in early phases in the prior year but well underway in the current year. State aid increased mainly due to the State providing additional funding for 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 were 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 \$4,807,728, assigned fund balances were \$740,234 and the unassigned fund balance was \$2,666,800 while the total fund balance was \$8,214,762 (B-1). For the year ended June 30, 2017, the District generated excess surplus in the amount of \$717,181.

*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 increased by \$140,631 while expenditures increased by \$1,945,817 mainly due to the increase in capital outlay expenditures 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 \$1,333,974.

*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 \$2,862,185 in the current fiscal year compared to expenditures of \$3,520,105 in the prior year. Current year expenditures relate to those incurred through serial bonds issued and grants received from the New Jersey Schools Development Authority. Total fund balance was \$4,608,223 as of June 30, 2017.

*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. The fund balance in the debt service fund is \$157,471.

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, 2017, 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 2016</b>	<b>Percent of Increase (Decrease)</b>
Local sources	\$ 108,296,863	84.3%	\$ 2,799,938	2.7%
State sources	18,614,096	14.5	2,089,636	12.6
Federal sources	1,595,776	1.2	(48,358)	(2.9)
<b>Total</b>	<b>\$128,506,735</b>	<b>100.0%</b>	<b>\$ 4,841,216</b>	<b>3.9%</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 contributions 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, 2017, and the amount and percentage of increases in relation to prior year expenditures.

<b>Expenditures</b>	<b>Amount</b>	<b>Percent of Total</b>	<b>Increase from 2016</b>	<b>Percent of Increase</b>
Current expense:				
Instruction	\$59,018,145	45.2%	\$1,947,262	3.4%
Support services	60,172,074	46.0	3,797,762	6.7
Capital outlay	3,621,652	2.8	1,420,814	64.6
Charter schools	35,671	0.0	4,761	15.4
Debt service	7,876,550	6.0	413,322	5.5
<b>Total</b>	<b>\$130,724,092</b>	<b>100.0%</b>	<b>\$7,583,921</b>	<b>6.1%</b>

The increase in instruction expenditures is mainly due to an increase in multiple disabilities expenditures due to an increased need in such services, as there were no expenditures in the prior year.

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

The increase in capital outlay represents additional expenditures for capital related items that were not funded by the NJ SDA or other funding sources.

### **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 \$546,345 was mainly due to an increase in the number of teaching staff for in district special education programs and instructional aides, as the District had an increased need for serving students with multiple disabilities in the current year.
- Unallocated benefits – health benefits – a decrease of \$398,478 was mainly attributable to the actual premium increase being less than anticipated at the time of budget adoption.

### **Capital Assets**

At the end of fiscal year 2017, the District had \$156,335,392 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 2017 and 2016:

Capital Assets (Net of Depreciation)

	<u>Year Ended June 30,</u>	
	<u>2017</u>	<u>2016</u>
Land	\$ 3,253,263	\$ 3,253,263
Construction in progress	19,390,502	16,528,316
Land improvements	695,890	747,085
Building and building improvements	128,031,469	131,195,703
Machinery, equipment and vehicles	4,964,208	2,907,876
Total	<u>\$ 156,335,392</u>	<u>\$ 154,632,243</u>

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

**Debt Administration and Long-term Liabilities**

At June 30, 2017, the District had \$146,144,010 of long-term liabilities. Of this amount, \$4,985,809 relates to compensated absences; \$3,736,161 relates to various capital leases payable; \$89,110,000 of serial bonds for school construction and renovation projects; \$39,764,372 relates to the net pension liability and \$8,547,668 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 \$5,000,000 grant anticipation notes were paid off in their entirety during the 2017 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, 2017, there are bonds and notes authorized but not issued in the amount of \$6,410,849.

At June 30, 2017, the District's overall remaining limitation of indebtedness was \$211,312,853. 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, 2017.

## Livingston Board of Education

## Statement of Net Position

June 30, 2017

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
<b>Assets</b>			
Cash and cash equivalents	\$ 6,249,307	\$ 343,649	\$ 6,592,956
Investments	87,429		87,429
Accounts receivable	3,882,008		3,882,008
Inventories		13,241	13,241
Restricted assets:			
Cash and cash equivalents	3,193,471		3,193,471
Capital assets, non depreciable	22,643,765		22,643,765
Capital assets, depreciable, net	133,627,367	64,260	133,691,627
Total assets	<u>169,683,347</u>	<u>421,150</u>	<u>170,104,497</u>
<b>Deferred outflows of resources</b>			
Unamortized deferred loss on refunding of debt	3,196,268		3,196,268
Pension deferrals	13,095,839		13,095,839
Total deferred outflows of resources	<u>16,292,107</u>		<u>16,292,107</u>
<b>Liabilities</b>			
Accounts payable	1,662,844	219,712	1,882,556
Accrued interest payable	1,698,163		1,698,163
Intergovernmental payables:			
State	55,006		55,006
Unearned revenue		111,226	111,226
Net pension liability	39,764,372		39,764,372
Current portion of long-term obligations	6,968,372		6,968,372
Noncurrent portion of long-term obligations	99,411,266		99,411,266
Total liabilities	<u>149,560,023</u>	<u>330,938</u>	<u>149,890,961</u>
<b>Deferred inflow of resources</b>			
Pension deferrals	<u>654,629</u>		<u>654,629</u>
<b>Net position</b>			
Net investment in capital assets	58,713,884	64,260	58,778,144
Restricted for:			
Capital projects	3,967,910		3,967,910
Other purposes	4,807,728		4,807,728
Unrestricted (deficit)	(31,728,720)	25,952	(31,702,768)
Total net position	<u>\$ 35,760,802</u>	<u>\$ 90,212</u>	<u>\$ 35,851,014</u>

## Livingston Board of Education

## Statement of Activities

Year ended June 30, 2017

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	\$ 97,533,309	\$ 241,640	\$ 2,077,644		\$ (95,214,025)		\$ (95,214,025)
Support services:							
Attendance/social work	175,412				(175,412)		(175,412)
Health services	1,735,851				(1,735,851)		(1,735,851)
Other support services	14,017,612		350,872		(13,666,740)		(13,666,740)
Improvement of instruction	3,893,894				(3,893,894)		(3,893,894)
Other support: instructional staff	782,759				(782,759)		(782,759)
School library	2,132,844				(2,132,844)		(2,132,844)
General administration	1,617,068				(1,617,068)		(1,617,068)
School administration	7,511,172				(7,511,172)		(7,511,172)
Required maintenance of plant services	1,986,685				(1,986,685)		(1,986,685)
Operation of plant	7,920,082			\$ 1,034,268	(6,885,814)		(6,885,814)
Student transportation	4,136,495	489,254			(3,647,241)		(3,647,241)
Central services	2,301,045				(2,301,045)		(2,301,045)
Administrative information technology	2,100,888				(2,100,888)		(2,100,888)
Charter Schools	35,671				(35,671)		(35,671)
Interest and other charges on long-term obligations	3,387,409				(3,387,409)		(3,387,409)
Total governmental activities	151,268,196	730,894	2,428,516	1,034,268	(147,074,518)		(147,074,518)
<b>Business-type activities</b>							
Food service	2,139,565	2,102,683				\$ (36,882)	(36,882)
Total business-type activities	2,139,565	2,102,683				(36,882)	(36,882)
<b>Total primary government</b>	<b>\$ 153,407,761</b>	<b>\$ 2,833,577</b>	<b>\$ 2,428,516</b>	<b>\$ 1,034,268</b>	<b>(147,074,518)</b>	<b>(36,882)</b>	<b>(147,111,400)</b>
<b>General revenues:</b>							
Property taxes, levied for general purposes					99,918,029		99,918,029
Property taxes, levied for debt service					6,853,299		6,853,299
Unrestricted federal sources					7,123		7,123
Unrestricted state sources					39,393,728		39,393,728
Investment earnings					150,948	2,397	153,345
Rental income					504,525		504,525
Miscellaneous income					115,767		115,767
Total general revenues					146,943,419	2,397	146,945,816
Change in net position					(131,099)	(34,485)	(165,584)
Net position—beginning of year					35,891,901	124,697	36,016,598
Net position—end of year					\$ 35,760,802	\$ 90,212	\$ 35,851,014

## Fund Financial Statements

## Governmental Funds

Livingston Board of Education  
Governmental Funds

Balance Sheet

June 30, 2017

	Major Funds				Total Governmental Funds
	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	
<b>Assets</b>					
Cash and cash equivalents	\$ 3,646,757		\$ 2,445,079	\$ 157,471	\$ 6,249,307
Investments	87,429				87,429
Accounts receivable:					
State	1,193,020	\$ 4,355	1,940,258		3,137,633
Federal		266,904			266,904
Interfund	223,548		548,514		772,062
Other	477,471				477,471
Restricted assets:					
Cash and cash equivalents	3,193,471				3,193,471
<b>Total assets</b>	<b>\$ 8,821,696</b>	<b>\$ 271,259</b>	<b>\$ 4,933,851</b>	<b>\$ 157,471</b>	<b>\$ 14,184,277</b>
<b>Liabilities and fund balances</b>					
<b>Liabilities:</b>					
Accounts payable	\$ 58,420	\$ 12,245	\$ 306,088		\$ 376,753
Intergovernmental payables:					
State		55,006			55,006
Interfunds payable	548,514	204,008	19,540		772,062
<b>Total liabilities</b>	<b>606,934</b>	<b>271,259</b>	<b>325,628</b>		<b>1,203,821</b>
<b>Fund balances:</b>					
<b>Restricted for:</b>					
Capital reserve	2,870,136				2,870,136
Emergency reserve	323,335				323,335
Excess fund balance - prior year designated for subsequent years expenditures	897,076				897,076
Excess fund balance-current year	717,181				717,181
Debt service				\$ 157,471	157,471
Capital projects			4,608,223		4,608,223
<b>Assigned to:</b>					
Designated for subsequent years' expenditures	402,924				402,924
Other purposes	337,310				337,310
Unassigned	2,666,800				2,666,800
<b>Total fund balances</b>	<b>8,214,762</b>	<b>-</b>	<b>4,608,223</b>	<b>157,471</b>	<b>12,980,456</b>
<b>Total liabilities and fund balances</b>	<b>\$ 8,821,696</b>	<b>\$ 271,259</b>	<b>\$ 4,933,851</b>	<b>\$ 157,471</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 \$210,554,149 and the accumulated depreciation is \$54,283,017.	156,271,132
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.	(1,698,163)
Deferred pension costs in governmental activities are not financial resources and are therefore not reported in the funds.	12,441,210
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.	3,196,268
Net pension liability is not due and payable in the current period and therefore is not reported as a liability in the funds.	(39,764,372)
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.	(1,286,091)
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.	(106,379,638)
<b>Net position of governmental activities</b>	<b>\$ 35,760,802</b>

Livingston Board of Education  
Governmental Funds

Statement of Revenues, Expenditures and Changes in Fund Balances

Year ended June 30, 2017

	Major Funds				Total Governmental Funds
	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	
<b>Revenues</b>					
Local sources:					
Local tax levy	\$ 99,918,029			\$ 6,853,299	\$ 106,771,328
Tuition	123,896				123,896
Tuition from other LEA's	117,744				117,744
Transportation fees from individuals	489,254				489,254
Interest on investments	56,455		\$ 7,064		63,519
Investment income	87,429				87,429
Rental income	504,525				504,525
Miscellaneous	34,701	\$ 30,465		81,066	146,232
Total local sources	101,332,033	30,465	7,064	6,934,365	108,303,927
State sources	16,981,447	809,398	1,034,268	823,251	19,648,364
Federal sources	7,123	1,588,653			1,595,776
Total revenues	118,320,603	2,428,516	1,041,332	7,757,616	129,548,067
<b>Expenditures</b>					
Current:					
Instruction	50,420,267	2,077,644			52,497,911
Undistributed-current:					
Instruction	6,520,234				6,520,234
Attendance/social work	97,710				97,710
Health services	976,076				976,076
Support services	7,869,275	350,872			8,220,147
Improvement of instruction	2,191,192				2,191,192
School library	1,259,289				1,259,289
Instructional staff training	467,394				467,394
General administration	1,290,969				1,290,969
School administration	4,381,197				4,381,197
Required maintenance of plant services	1,274,856				1,274,856
Operation of plant	5,534,372				5,534,372
Student transportation	3,163,306				3,163,306
Central services	1,412,229				1,412,229
Administrative information technology	1,376,624				1,376,624
Unallocated benefits	15,174,942				15,174,942
On-behalf TPAF social security and pension contributions	13,351,771				13,351,771
Capital outlay	1,319,059	2,302,593	2,862,185		6,483,837
Charter Schools	35,671				35,671
Debt service:					
Principal				4,030,000	4,030,000
Interest				3,846,550	3,846,550
Total expenditures	118,116,433	4,731,109	2,862,185	7,876,550	133,586,277
Excess (deficiency) of revenues over (under) expenditures	204,170	(2,302,593)	(1,820,853)	(118,934)	(4,038,210)
Other financing sources (uses):					
Transfers in	7,064			41,699	48,763
Transfers out	(41,699)		(7,064)		(48,763)
Total other financing sources (uses)	(34,635)	-	(7,064)	41,699	-
Net change in fund balances	169,535	(2,302,593)	(1,827,917)	(77,235)	(4,038,210)
Fund balances (deficit), July 1	8,045,227	2,302,593	6,436,140	234,706	17,018,666
Fund balances, June 30	\$ 8,214,762	\$ -	\$ 4,608,223	\$ 157,471	\$ 12,980,456

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, 2017

<b>Total net change in fund balances - governmental funds (from B-2)</b>		<b>\$ (4,038,210)</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	\$ 5,750,962
	Depreciation expense	<u>(4,112,073)</u> 1,638,889
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.		183,868
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	4,030,000
	Obligations under capital lease	<u>819,380</u> 4,849,380
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.		
	Amortization of premium on bonds	480,325
	Amortization of deferred loss on refunding of debt	<u>(205,052)</u> 275,273
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		(2,702,591)
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).		(337,708)
<b>Change in net position of governmental activities (A-2)</b>		<u>\$ (131,099)</u>

## Enterprise Fund

Livingston Board of Education  
Enterprise Fund

Statement of Net Position

June 30, 2017

	<b>Major Fund</b>
	<b>Food</b>
	<b>Service</b>
<b>Assets</b>	
Current assets:	
Cash and cash equivalents	\$ 343,649
Inventories	13,241
Total current assets	356,890
Non-current assets:	
Capital assets:	
Equipment	189,795
Accumulated depreciation	(125,535)
Total capital assets, net	64,260
Total assets	421,150
<b>Liabilities</b>	
Current liabilities:	
Accounts payable	219,712
Unearned revenue	111,226
Total current liabilities	330,938
<b>Net position</b>	
Net investment in capital assets	64,260
Unrestricted	25,952
Total net position	\$ 90,212

Livingston Board of Education  
Enterprise Fund

Statement of Revenues, Expenses and  
Changes in Fund Net Position

Year ended June 30, 2017

	<b>Major Fund</b>
	<b>Food Service</b>
Operating revenues:	
Local sources:	
Daily food sales	\$ 2,047,275
Special event income	55,408
Total operating revenues	2,102,683
Operating expenses:	
Salaries	674,989
Employee benefits	105,733
Supplies and materials	276,050
Purchased property services	152,384
Other purchased services	20,018
Cost of sales	840,461
Depreciation	3,044
Management fee	53,829
Miscellaneous	13,057
Total operating expenses	2,139,565
Operating loss	(36,882)
Nonoperating revenues:	
Interest	2,397
Total nonoperating revenues	2,397
Change in net position	(34,485)
Total net position-beginning	124,697
Total net position-ending	\$ 90,212

Livingston Board of Education  
Enterprise Fund

Statement of Cash Flows

Year ended June 30, 2017

	<b>Major Fund</b>
	<b>Food Service</b>
<b>Cash flows from operating activities</b>	
Receipts from customers	\$ 2,132,086
Payments to employees and for employee benefits	(780,722)
Payments to suppliers	(1,291,345)
Net cash provided by operating activities	60,019
<b>Cash flows from investing activity</b>	
Interest received	2,397
Net cash provided by investing activity	2,397
<b>Cash flows from capital and related financing activity</b>	
Purchase of capital assets	(67,304)
Net cash (used in) capital and related financing activity	(67,304)
Net decrease in cash and cash equivalents	(4,888)
Cash and cash equivalents, beginning of year	348,537
Cash and cash equivalents, end of year	\$ 343,649
<b>Reconciliation of operating (loss) to net cash provided by operating activities</b>	
Operating (loss)	\$ (36,882)
Adjustments to reconcile operating (loss) to net cash provided by operating activities:	
Depreciation	3,044
Change in assets and liabilities:	
Decrease in accounts receivable	492
(Increase) in inventory	(4,692)
Increase in accounts payable	69,146
Increase in unearned revenue	28,911
Net cash provided by operating activities	\$ 60,019

## Fiduciary Funds

Livingston Board of Education  
Fiduciary Funds

Statement of Fiduciary Net Position

June 30, 2017

	<b>Unemployment Compensation Trust</b>	<b>Agency Fund</b>
<b>Assets</b>		
Cash and cash equivalents	\$ 273,931	\$ 3,281,737
Interfund receivable	66,000	
Total assets	339,931	\$ 3,281,737
<b>Liabilities</b>		
Payroll deductions and withholdings payable		\$ 737,637
Summer payroll escrow payable		2,019,741
Interfund payable		66,000
Accounts payable	13,535	
Due to student groups		458,359
Total liabilities	13,535	\$ 3,281,737
<b>Net position</b>		
Held in trust for unemployment claims	\$ 326,396	

Livingston Board of Education  
Fiduciary Funds

Statement of Changes in Fiduciary Net Position

Year ended June 30, 2017

	<u>Unemployment Compensation Trust</u>
<b>Additions</b>	
Interest income	\$ 1,231
Employee contributions	<u>107,272</u>
Total additions	<u>108,503</u>
<b>Deductions</b>	
Unemployment claims paid	<u>112,654</u>
Total deductions	<u>112,654</u>
Change in net position	(4,151)
Net position-beginning of the year	330,547
Net position-end of the year	<u><u>\$ 326,396</u></u>



# Livingston Board of Education

## Notes to the Basic Financial Statements

Year ended June 30, 2017

### **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, 2017

### **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.

# Livingston Board of Education

## Notes to the Basic Financial Statements (continued)

Year ended June 30, 2017

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

#### 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 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 aid 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 GASB 72 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.

# Livingston Board of Education

## Notes to the Basic Financial Statements (continued)

Year ended June 30, 2017

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

*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.

*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.

# Livingston Board of Education

## Notes to the Basic Financial Statements (continued)

Year ended June 30, 2017

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

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.

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-

# Livingston Board of Education

## Notes to the Basic Financial Statements (continued)

Year ended June 30, 2017

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

expenditures related to on-behalf payments in the general fund are due to the inclusion of the non-budgeted on-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, 2017

### 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, 2017

### 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, 2017, the amount earned by these employees and not disbursed as of June 30, 2017 was \$2,019,741 and is included in liabilities-summer payroll 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, 2017 amounted to \$205,052 and the remaining balance at June 30, 2017 is \$3,196,268.

#### 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, 2017

#### **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, 2017, a liability existed for compensated absences in the government-wide financial statements in the amount of \$4,985,809.

##### **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, 2017

### 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, 2017

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

#### N. Fund Balances (continued)

Of the \$8,214,762 of fund balance in the General Fund, \$2,870,136 has been restricted in the capital reserve account, \$323,335 has been restricted in an emergency reserve account, \$717,181 has been restricted for excess surplus-current year, \$897,076 has been restricted for prior year excess surplus that has been designated for subsequent year's expenditures, \$337,310 of outstanding encumbrances is assigned to other purposes, \$402,924 of fund balance has been assigned to designated for subsequent year's expenditures and \$2,666,800 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 \$21,589,030 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, 2017

#### **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 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, 2017 was \$1,614,257. Of this amount, \$897,076 has been appropriated in the 2017/18 budget and the remaining \$717,181 will be appropriated in the 2018/19 budget.

##### **S. GASB Pronouncements – Implemented in the 2017 fiscal year**

The GASB issued Statement 77, *Tax Abatement Disclosures* in August 2015. This Statement is intended to improve financial reporting by requiring disclosure of tax abatement information about a reporting government's own tax abatement agreements and those that are entered into by other governments and that reduce the reporting government's tax revenues. The requirements of this Statement are effective for financial statements for reporting periods beginning after December 31, 2015. As the District is not a taxing government, the Statement did not result in a change in the District's assets, revenues or fund balance. However, certain required disclosures were included in Note 17.

##### **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"). This Statement replaces the requirements of Statement 45 and the primary objective of this Statement is to improve accounting and 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 requirements of this Statement are effective for financial statements for reporting periods beginning after June 30, 2017. Management has not yet determined the impact of the Statement on the financial statements.

Livingston Board of Education

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2017

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

**U. Subsequent Events**

Management has reviewed and evaluated all events and transactions that occurred from June 30, 2017 through November 30, 2017, 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 \$106,379,638 difference are as follows:

Bonds payable	\$ 89,110,000
Premium on bonds	8,547,668
Capital leases payable	3,736,161
Compensated absences	<u>4,985,809</u>
Net adjustment to reduce fund balance - total governmental funds to arrive at net position - governmental activities	<u>\$ 106,379,638</u>

## Livingston Board of Education

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

Year ended June 30, 2017

#### **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, 2017

#### **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, 2017, the carrying amount of the District's deposits was \$13,342,096 and the bank balance was \$15,889,007. Of the bank balance, \$250,000 was secured by federal depository insurance. The New Jersey governmental Unit Deposit Protection Act (GUDPA) covered the bank balance of \$12,760,134. \$2,878,873 is held in the District agency accounts are not covered by GUDPA.

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, 2017

#### 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, 2017, the District's investment balances of \$87,429 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, 2017:

- Solar Renewable Energy Credits in the amount of \$87,429 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, 2017

#### **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 \$144,422, 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, 2017, 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, 2017

**4. Capital Assets**

The following schedule is a summarization of the governmental activities changes in capital assets for the year ended June 30, 2017:

	<b>Beginning Balance</b>	<b>Increases</b>	<b>Ending Balance</b>
Governmental activities:			
Capital assets, not being depreciated:			
Construction in progress	\$ 16,528,316	\$ 2,862,186	\$ 19,390,502
Land	3,253,263		3,253,263
Total capital assets, not being depreciated	<u>19,781,579</u>	<u>2,862,186</u>	<u>22,643,765</u>
Capital assets, being depreciated:			
Land improvements	2,884,670	6,673	2,891,343
Buildings and building improvements	169,080,499	386,510	169,467,009
Machinery, equipment and vehicles	13,056,439	2,495,593	15,552,032
Total capital assets being depreciated	<u>185,021,608</u>	<u>2,888,776</u>	<u>187,910,384</u>
Less accumulated depreciation for:			
Land improvements	(2,137,585)	(57,868)	(2,195,453)
Buildings and building improvements	(37,884,796)	(3,550,744)	(41,435,540)
Machinery, equipment and vehicles	(10,148,563)	(503,461)	(10,652,024)
Total accumulated depreciation	<u>(50,170,944)</u>	<u>(4,112,073)</u>	<u>(54,283,017)</u>
Total capital assets, being depreciated, net	<u>134,850,664</u>	<u>(1,223,297)</u>	<u>133,627,367</u>
Governmental activities capital assets, net	<u>\$ 154,632,243</u>	<u>\$ 1,638,889</u>	<u>\$ 156,271,132</u>

Livingston Board of Education

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2017

**4. Capital Assets (continued)**

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

Current:	
Instruction	\$ 2,381,061
Undistributed – current:	
Instruction	295,727
Attendance/social work	4,432
Health services	44,270
Support services	372,828
Improvement of instruction	99,382
Other support – instruction staff	21,199
School library	57,115
General administration	58,552
School administration	198,711
Required maintenance of plant services	57,822
Operation of plant	251,013
Student transportation	143,473
Central services	64,052
Administrative information technology	62,436
Total depreciation expense – governmental activities	\$ 4,112,073

The following is a summary of business-type activity changes in capital assets for the year ended June 30, 2017.

	<b>Beginning Balance</b>	<b>Increases</b>	<b>Ending Balance</b>
Business-type activity:			
Capital assets, being depreciated:			
Equipment	\$ 122,491	\$67,304	\$189,795
Less accumulated depreciation for:			
Equipment	(122,491)	(3,044)	(125,535)
Total accumulated depreciation	(122,491)	(3,044)	(125,535)
Business-type activity capital assets, net	\$ -	\$ 64,260	\$ 64,260

Livingston Board of Education

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2017

**5. Long-Term Liabilities**

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

	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Governmental activities:					
Compensated absences payable	\$ 4,648,101	\$ 651,255	\$ 313,547	\$ 4,985,809	\$ 383,227
Premium on bonds	9,027,993		480,325	8,547,668	480,325
Serial bonds payable	93,140,000		4,030,000	89,110,000	4,560,000
Obligations under capital leases	4,555,541		819,380	3,736,161	1,544,820
Subtotal	111,371,635	651,255	5,643,252	106,379,638	6,968,372
Net pension liability	28,353,039	11,411,333		39,764,372	
<b>Governmental activities long-term liabilities</b>	<b>\$ 139,724,674</b>	<b>\$12,062,588</b>	<b>\$ 5,643,252</b>	<b>\$ 146,144,010</b>	<b>\$ 6,968,372</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.

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 were 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 \$4,300,000 of 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.

Livingston Board of Education

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2017

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

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. At June 30, 2017, \$33,371,000 of defeased debt remains outstanding.

At June 30, 2017, there are bonds and notes authorized but not issued in the amount of \$6,410,849.

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

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year ending June 30:			
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	5,425,000	2,963,300	8,388,300
2023-2027	25,495,000	11,400,563	36,895,563
2028-2032	18,250,000	6,471,825	24,721,825
2033-2037	13,445,000	2,318,938	15,763,938
2037-2038	7,470,000	45,250	7,515,250
	<u>\$ 89,110,000</u>	<u>\$ 36,794,100</u>	<u>\$ 125,904,100</u>

Bonds payable at June 30, 2017 are comprised of the following issues:

\$43,521,000, 2007 school bonds in the amount of \$1,250,000 due in July 2017 at an interest rate of 4.5% and represents the final principal payment.

\$12,405,000, 2010 school refunding 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%.

## Livingston Board of Education

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

Year ended June 30, 2017

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

\$8,500,000, 2013 school bonds are due in annual installments ranging from \$475,000 to \$700,000 through August 2028 at interest rates ranging from 2.0% to 3.0%.

\$8,500,000, 2015 school bonds are due in annual installments ranging from \$350,000 to \$700,000 through August 2030 at interest rates ranging from 2.0% to 3.0%.

\$61,010,000, 2016 refunding school bonds are due in annual installments ranging from \$160,000 to \$3,945,000 through July 2037 at interest rates ranging from 3.0% to 5.0%.

#### Capital Leases Payable

The District has remaining capital leases totaling \$3,736,161 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, 2017.

	<u>Amount</u>
Fiscal year:	
2018	\$ 1,588,440
2019	1,286,865
2020	<u>943,432</u>
Total minimum lease payments	3,818,737
Less: amount representing interest	<u>(82,576)</u>
Present value of net minimum lease payments	<u>\$ 3,736,161</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, 2017 are as follows:

Machinery, equipment and vehicles	\$ 8,851,037
Less accumulated depreciation	<u>(6,215,784)</u>
Total	<u>\$ 2,635,253</u>

#### 6. Pension Plans

##### Description of Systems

Substantially all of the District'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

## Livingston Board of Education

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

Year ended June 30, 2017

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

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 District and the system's other related non-contributing employers. The Public Employees' Retirement System is considered a cost-sharing multiple-employer plan.

#### **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<sup>th</sup> 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<sup>th</sup> 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<sup>th</sup> 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<sup>th</sup> 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

# Livingston Board of Education

## Notes to the Basic Financial Statements (continued)

Year ended June 30, 2017

### 6. Pension Plans (continued)

mentioned formulas but at a reduced rate in accordance with applicable New Jersey Statute based upon their tier.

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 noncontributory death benefits and post-retirement medical premiums. Under current statute, the District is a non-contributing employer of the TPAF.

During the year ended June 30, 2017, the State of New Jersey contributed \$9,704,108 to the TPAF for on-behalf medical, long-term disability insurance, and pension contributions on behalf of the District. Also, in accordance with N.J.S.A. 18A:66-66, the State of New Jersey reimbursed the District \$3,647,663 during the year ended June 30, 2017 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, 2017, 2016 and 2015 were \$1,192,759, \$1,085,888 and \$1,039,901, 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, 2017

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, 2017, the District reported a liability of \$39,764,372 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation July 1, 2015, which was rolled forward to June 30, 2016. 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, 2016, the District's proportion was 0.1342613886 percent, which was an increase of 0.0079559530 from its proportion measured as of June 30, 2015.

For the year ended June 30, 2017, the District recognized full accrual pension expense of \$3,895,350 in the government-wide financial statements. At June 30, 2017, 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	\$ 8,237,054	
Difference between expected and actual experience	739,497	
Changes in proportion	1,316,945	
Net difference between projected and actual earnings on pension plan investments	1,516,252	
Changes in proportion and differences between District contributions and proportionate share of contributions		654,629
District contributions subsequent to the measurement date	1,286,091	
	<u>\$ 13,095,839</u>	<u>\$ 654,629</u>

\$1,286,091 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, 2017

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:	
2018	\$ 2,460,254
2019	2,460,253
2020	2,812,121
2021	2,505,963
2022	<u>916,528</u>
	<u>\$ 11,155,119</u>

*Actuarial Assumptions*

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

Inflation rate	3.08%
Salary increase through 2026	1.65 - 4.15%
	based on age
Thereafter	2.65 - 5.15%
	based on age
Investment rate of return	7.65%

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

*Mortality Rates*

Pre-retirement mortality rates were based on the RP-2000 Preretirement Mortality Table for male and female active participants. For State employees, mortality tables are set back 4 years for males and females. For local employees, mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of

## Livingston Board of Education

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

Year ended June 30, 2017

#### 6. Pension Plans (continued)

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

2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Post-retirement mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (set back 1 year for males and females) for service retirements and beneficiaries of former members and a one-year static projection based on mortality improvement Scale AA.

In addition, the tables for service retirements and beneficiaries of formers members provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward 1 year for females).

##### *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.

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

Livingston Board of Education

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2017

6. Pension Plans (continued)

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	5.00%	0.87%
US Treasuries	1.50%	1.74%
Investment Grade Credit	8.00%	1.79%
Mortgages	2.00%	1.67%
High Yield Bonds	2.00%	4.56%
Inflation-Indexed Bonds	1.50%	3.44%
Broad US Equities	26.00%	8.53%
Developed Foreign Markets	13.25%	6.83%
Emerging Market Equities	6.50%	9.95%
Private Equity	9.00%	12.40%
Hedge Funds / Absolute Return	12.50%	4.68%
Real Estate (Property)	2.00%	6.91%
Commodities	0.50%	5.45%
Global Debt ex US	5.00%	-0.25%
REIT	5.25%	5.63%
	<u>100.00%</u>	

*Discount rate*

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

Livingston Board of Education

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2017

**6. Pension Plans (continued)**

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

*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, 2017 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 (2.98 percent) or 1-percentage-point higher (4.98 percent) than the current rate:

	At 1% decrease (2.98%)	At current discount rate (3.98%)	At 1% increase (4.98%)
District's proportionate share of the net pension liability	\$ 48,726,597	\$ 39,764,372	\$ 32,365,279

*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.

*Additional Information*

Collective balances - Local Group at June 30, 2016 are as follows:

Deferred outflows of resources	\$ 8,685,338,380
Deferred inflows of resources	\$ 870,133,595
Net pension liability	\$ 29,617,131,759
District's Proportion	0.1342613886%

Collective pension expense for the Local Group for the measurement period ended June 30, 2016 is \$2,830,763,540.

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 July 1, 2015 (the beginning

Livingston Board of Education

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2017

**6. Pension Plans (continued)**

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

of the measurement period ended June 30, 2016) is 5.57 years and 5.72 years for the period ended June 30, 2015.

*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, 2016 was \$357,700,500. The District's proportionate share was \$0.

The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2015, which was rolled forward to June 30, 2016. The State's proportionate share of the net pension liability associated with the District was based on 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, 2016, the State's proportionate share of the TPAF net pension liability associated with the District was 0.4547057578 percent, which was a decrease of 0.0030812280 from its proportion measured as of June 30, 2015.

For the year ended June 30, 2017, the District recognized on-behalf pension expense and revenue in the government wide financial statements of \$26,876,215 for contributions incurred by the State.

Livingston Board of Education

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2017

**6. Pension Plans (continued)**

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

*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	7.65%

*Mortality Rates*

Pre-retirement, post-retirement and disabled mortality rates were based on the experience of TPAF members reflecting mortality improvement on a generational basis based on a 60-year average of Social Security data from 1953 to 2013. The actuarial assumptions used in the July 1, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2012 to June 30, 2015.

*Long-Term Expected Rate of Return*

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

Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2016 are summarized in the following table:

Livingston Board of Education

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2017

6. Pension Plans (continued)

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

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Real Rate of Return</b>
Cash	5.00%	0.39%
US Government Bonds	1.50%	1.28%
US Credit Bonds	13.00%	2.76%
US Mortgages	2.00%	2.38%
US Inflation-Indexed Bonds	1.50%	1.41%
US High Yield Bonds	2.00%	4.70%
US Equity Market	26.00%	5.14%
Foreign Developed Equity	13.25%	5.91%
Emerging Market Equity	6.50%	8.16%
Private Real Estate Property	5.25%	3.64%
Timber	1.00%	3.86%
Farmland	1.00%	4.39%
Private Equity	9.00%	8.97%
Commodities	0.50%	2.87%
Hedge Funds - Multi Strategy	5.00%	3.70%
Hedge Funds - Equity Hedge	3.75%	4.72%
Hedge Funds - Distressed	3.75%	3.49%
	100.00%	

*Discount Rate*

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



Livingston Board of Education

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2017

**6. Pension Plans (continued)**

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

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, 2016 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 (2.22 percent) or 1-percentage-point higher (4.22 percent) than the current rate:

	At 1% decrease (2.22%)	At current discount rate (3.22%)	At 1% increase (4.22%)
State's proportionate share of the net pension liability associated with the District	\$ 427,174,334	\$ 357,700,500	\$ 252,749,856

*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, 2016 are as follows:

Deferred outflows of resources	\$ 17,440,003,201
Deferred inflows of resources	\$ 195,027,919
Net pension liability	\$ 78,666,367,052
District's Proportion	0.4547057578%

## Livingston Board of Education

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

Year ended June 30, 2017

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

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

Collective pension expense-Local Group for the plan for the measurement period ended June 30, 2016 is \$5,915,082,656.

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 July 1, 2015 (the beginning of the measurement period ended June 30, 2016) is 8.3 years.

#### **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, 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, 2016, there were 110,512 retirees receiving post-retirement medical benefits, and the state contributed \$1.37 billion on their behalf. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post-retirement medical 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

Livingston Board of Education

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2017

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

from a board of education or county college with 25 years of service. The State paid \$231.2 million toward Chapter 126 benefits for 20,045 eligible retired members in fiscal year 2016.

The 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, 2017, 2016 and 2015 were \$4,416,923 (including \$11,495 of Long-Term Disability Insurance), \$4,334,891 and \$3,929,007, 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.

**8. Interfund Receivables and Payables**

The total interfund accounts receivable and payable for the District at June 30, 2017 is as follows:

Fund	Interfund Receivable	Interfund Payable
General Fund	\$ 223,548	\$ 548,514
Special Revenue Fund		204,008
Capital Projects Fund	548,514	19,540
Unemployment Compensation Trust Fund	66,000	
Payroll Agency Fund		66,000
	\$ 838,062	\$ 838,062

The interfund between the capital projects fund and general fund in the amount of \$19,540 represents interest earned in the capital projects fund that has not been turned over at June 30, 2017. New Jersey statutes require that interest earned on the investments in the capital projects fund be credited to the general or debt service fund. This includes prior year and current year interest. The interfund between the capital projects fund and the general fund in the amount of \$548,514 represents payments of local share of projects committed that was in the general fund and needed to be transferred to the capital projects fund. The interfund between the special revenue fund and the general fund in the amount of \$204,008 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 unemployment compensation trust fund and the payroll agency fund represents the prior year general fund board contributions to the unemployment

## Livingston Board of Education

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

Year ended June 30, 2017

#### **8. Interfund Receivables and Payables (continued)**

compensation trust fund which was transferred to payroll agency fund in the current year, rather than the unemployment compensation trust fund. 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.

#### **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 collectability of any related receivable at June 30, 2017 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 collectability of any related receivable at June 30, 2017 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.

Livingston Board of Education

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2017

**11. Risk Management (continued)**

**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.

**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:

<b>Fiscal Year</b>	<b>Contributions and Interest Earned</b>	<b>Deductions</b>	<b>Ending Balance</b>
2016-17	\$ 108,503	\$ 112,654	\$ 326,396
2015-16	166,470	101,569	330,547
2014-15	196,743	97,199	265,646

**12. Transfers - Reconciliation**

	<b>Transfers In</b>	<b>Transfers Out</b>
General Fund	\$ 7,064	\$ 41,699
Capital Projects Fund		7,064
Debt Service Fund	41,699	
	<u>\$ 48,763</u>	<u>\$ 48,763</u>

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. The transfer from the general fund to the debt service fund represents

# Livingston Board of Education

## Notes to the Basic Financial Statements (continued)

Year ended June 30, 2017

### 12. Transfers – Reconciliation (continued)

earnings from SRECs recorded in general fund that were transferred to the debt service fund where the revenue was budgeted.

### 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, 2016 to June 30, 2017 fiscal year is as follows:

Beginning balance, July 1, 2016	\$ 2,861,292
Interest earnings	8,844
Ending balance, June 30, 2017	<u>\$ 2,870,136</u>

The June 30, 2017 capital reserve balance does not exceed local support costs identified in the District's Long Range Facility Plan at June 30, 2017. The District has not budgeted any capital reserve funds for use in the District's 2017-18 fiscal year.

### 14. Restricted Assets

The District has \$3,193,471 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.

Livingston Board of Education

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2017

**15. Commitments**

The District has ongoing construction projects as of June 30, 2017 relating to the approved referendum projects. At June 30, 2017, the District's outstanding construction commitments amounted to \$117,249 and is included as part of the \$4,608,223 recorded as fund balance restricted for capital projects on the balance sheet in the capital projects fund.

The District also has \$337,310 of contracts encumbered that are reported in the balance sheet of the general fund as assigned to other purposes.

**16. Grant 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 note was paid in full in the current year.

The following presents the changes from the prior year:

Beginning Balance	Decreases	Ending Balance
\$ 5,000,000	\$5,000,000	\$ -

**17. GASB 77 Tax Abatements**

As defined by the Governmental Accounting Standards Board (GASB), a tax abatement is an agreement between a government and an individual or entity in which the government promises to forgo tax revenues and the individual or entity promises to subsequently take a specific action that contributes to economic development or otherwise benefits the government or its citizens. However, the county or municipality in which the school district is situated may have entered into tax abatement agreements, and that potential must be disclosed in these financial statements. If the county or municipality entered into tax abatement agreements, those agreements will not directly affect the school district's local tax revenue because N.J.S.A. 54:4-75 and N.J.S.A. 54:4-76 require that amounts so forgiven must effectively be recouped from other taxpayers and remitted to the school district.

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

Livingston Board of Education

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2017

**17. GASB 77 Tax Abatements (continued)**

For the 2016 year, the Township recognized revenue of \$58,507 from the annual service charge in lieu of payment of taxes, while the taxes that would have been paid for this property were \$872,483, resulting in a reduction of taxes collected by the Township of \$813,976. A portion of this would have been allocated to the District.



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, 2017	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
District's proportion of the net pension liability (asset) - Local Group	0.1342613886%	0.1263054356%	0.1201425514%	0.1325568871%	Not available	Not available	Not available	Not available	Not available	Not available
District's proportionate share of the net pension liability (asset)	\$ 39,764,372	\$ 28,353,039	\$ 23,017,336	\$ 25,333,873	Not available	Not available	Not available	Not available	Not available	Not available
District's covered-employee payroll	\$ 9,354,907	\$ 8,637,855	\$ 8,354,915	\$ 8,651,763	\$ 8,831,222	\$ 8,801,531	\$ 10,343,746	\$ 9,914,190	\$ 9,556,122	\$ 9,129,145
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	425.06%	338.24%	276.07%	292.82%	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	40.14%	47.93%	52.08%	48.72%	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 prepared 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> 2017	<u>Year Ended June 30,</u> 2016	<u>Year Ended June 30,</u> 2015	<u>Year Ended June 30,</u> 2014	<u>Year Ended June 30,</u> 2013	<u>Year Ended June 30,</u> 2012	<u>Year Ended June 30,</u> 2011	<u>Year Ended June 30,</u> 2010	<u>Year Ended June 30,</u> 2009	<u>Year Ended June 30,</u> 2008
Contractually required contribution	\$ 1,311,429	\$ 1,192,759	\$ 1,085,888	\$ 1,039,901	\$ 998,774	\$ 1,004,737	\$ 1,172,517	\$ 1,124,960	\$ 939,987	\$ 763,326
Contributions in relation to the contractually required contribution	(1,311,429)	(1,192,759)	(1,085,888)	(1,039,901)	(998,774)	(1,004,737)	(1,172,517)	(1,124,960)	(939,987)	(763,526)
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	\$ 9,557,009	\$ 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
Contributions as a percentage of covered-employee payroll	13.72%	12.75%	12.57%	12.16%	11.54%	11.38%	13.32%	10.88%	9.48%	7.99%

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, 2017	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
State's proportion of the net pension liability (asset) associated with the District - Local Group	0.45471657578%	0.4577869858%	0.4317288047%	0.4492756174%	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	\$ 337,700,500	\$ 289,340,924	\$ 230,744,995	\$ 227,060,363	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	\$ 337,700,500	\$ 289,340,924	\$ 230,744,995	\$ 227,060,363	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Plan fiduciary net position as a percentage of the total pension liability	27.96%	28.71%	33.64%	33.76%	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 audit is completed, 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, 2017

PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Benefit Changes

There were none.

Changes of Assumptions

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

TEACHERS PENSION AND ANNUITY FUND

Benefit Changes

There were none.

Changes of Assumptions

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

Required Supplementary Information  
Part III

Budgetary Comparison Schedules

Livingston Board of Education  
General Fund

Budgetary Comparison Schedule  
(Budgetary Basis)

Year ended June 30, 2017

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>Revenues</b>					
Local sources:					
Local tax levy	\$ 99,918,029		\$ 99,918,029	\$ 99,918,029	
Tuition	12,500		12,500	123,896	\$ 111,396
Tuition from other LEA's	100,000		100,000	117,744	17,744
Transportation fees from individuals	300,000		300,000	489,254	189,254
Interest on investments	50,000		50,000	56,455	6,455
Rental income	450,000		450,000	504,525	54,525
Miscellaneous	80,000		80,000	34,701	(45,299)
Total - local sources	100,910,529		100,910,529	101,244,604	334,075
State sources:					
Extraordinary aid	300,000		300,000	987,669	687,669
On behalf TPAF pension, disability insurance and medical contribution (non-budgeted)				9,704,108	9,704,108
Reimbursed TPAF social security (non-budgeted)				3,647,663	3,647,663
Additional nonpublic transportation aid				25,404	25,404
Transportation aid	241,059		241,059	241,059	
Security aid	104,597		104,597	104,597	
PARCC Readiness aid	59,680		59,680	59,680	
Per Pupil Growth aid	59,680		59,680	59,680	
Professional Learning Community aid	60,050		60,050	60,050	
Categorical Special Education aid	2,084,235		2,084,235	2,084,235	
Total - state sources	2,909,301		2,909,301	16,974,145	14,064,844
Federal Sources:					
Medicaid Assistance	20,860		20,860	7,123	(13,737)
Total - federal sources	20,860		20,860	7,123	(13,737)
Total revenues	103,840,690		103,840,690	118,225,872	14,385,182
<b>Expenditures</b>					
Current expenditures:					
Instruction - regular programs:					
Salaries of teachers:					
Preschool	40,362		40,362	40,361	1
Kindergarten	1,461,636	\$ 250	1,461,886	1,461,886	
Grades 1-5	11,015,886		11,015,886	11,015,885	1
Grades 6-8	8,308,580		8,308,580	8,308,579	1
Grades 9-12	12,284,959		12,284,959	12,284,958	1
Home instruction:					
Salaries of teachers	150,000		150,000	150,000	
Purchased professional-educational services	33,000	59,744	92,744	92,744	
Undistributed instruction:					
Other salaries for instruction	650,809	(9,312)	641,497	641,497	
Purchased professional-educational services	67,500	1,000	68,500	66,802	1,698
Purchased technical services	2,040		2,040	2,031	9
Other purchased services	338,209	(622)	337,587	332,299	5,288
General supplies	1,776,555	(271,627)	1,504,928	1,434,698	70,230
Textbooks	462,072	(67,578)	394,494	394,331	163
Other objects	15,850	(6,700)	9,150	8,213	937
Total instruction - regular programs	36,607,458	(294,845)	36,312,613	36,234,284	78,329

Livingston Board of Education  
General Fund

Budgetary Comparison Schedule  
(Budgetary Basis)

Year ended June 30, 2017

	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	\$ 349,254	\$ 90,833	\$ 440,087	\$ 440,086	\$ 1
Other salaries for instruction	2,414,596	162,777	2,577,373	2,576,963	410
General supplies	10,000	(5,647)	4,353	4,293	60
Total learning and/or language disabilities	2,773,850	247,963	3,021,813	3,021,342	471
Multiple Disabilities:					
Salaries of Teachers		496,191	496,191	496,190	1
Other Salaries for Instruction		971,541	971,541	971,540	1
General Supplies		7,153	7,153	7,152	1
Total multiple disabilities		1,474,885	1,474,885	1,474,882	3
Resource room/center:					
Salaries of teachers	4,905,086		4,905,086	4,905,086	
General supplies	80,500		80,500	80,403	97
Total resource room/center	4,985,586		4,985,586	4,985,489	97
Autism:					
Salaries of teachers	349,288	(349,288)			
Other Salaries for Instruction	819,623	(819,623)			
General supplies	23,000	(11,948)	11,052	11,051	1
Total autism	1,191,911	(1,180,859)	11,052	11,051	1
Preschool disabilities - full time:					
Salaries of teachers	287,324		287,324	287,323	1
Other salaries for instruction	109,674	16,475	126,149	126,149	
General supplies	12,500	(12,119)	381	380	1
Total preschool disabilities-full time	409,498	4,356	413,854	413,852	2
Total special education	9,360,845	546,345	9,907,190	9,906,616	574
Bilingual education:					
Salaries of teachers	625,493		625,493	624,768	725
Total bilingual education	625,493		625,493	624,768	725
Basic skills/remedial instruction:					
Salaries of teachers	812,964	111,171	924,135	924,135	
General supplies	9,042	(8,500)	542		542
Total basic skills/remedial instruction	822,006	102,671	924,677	924,135	542
Vocational programs - local instruction:					
Salaries of teachers	97,016		97,016	97,015	1
Other purchased services	4,000	(2,466)	1,534	1,533	1
General supplies	12,000		12,000	11,998	2
Other objects	500		500	234	266
Total vocational programs - local instruction	113,516	(2,466)	111,050	110,780	270



Livingston Board of Education  
General Fund

Budgetary Comparison Schedule  
(Budgetary Basis)

Year ended June 30, 2017

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>Expenditures (continued)</b>					
Current expenditures (continued):					
School - sponsored cocurricular activities:					
Salaries	\$ 432,000	\$ 11,985	\$ 443,985	\$ 443,985	
Purchased services	10,265	(941)	9,324	9,124	\$ 200
Supplies and materials	27,200	(4,200)	23,000	23,000	
Other objects	13,400		13,400	13,400	
Total school - sponsored cocurricular activities	482,865	6,844	489,709	489,509	200
School - sponsored athletics - instruction:					
Salaries	877,247	(38,000)	839,247	839,247	
Purchased services	127,195	(16,795)	110,400	109,727	673
Supplies and materials	87,990	(10,705)	77,285	76,592	693
Total school - sponsored athletics - instruction	1,092,432	(65,500)	1,026,932	1,025,566	1,366
Other instructional programs:					
Purchased services	45,000	(4,800)	40,200	40,200	
Total other instructional programs	45,000	(4,800)	40,200	40,200	
Other supplemental/at-risk programs-instruction:					
Salaries of reading specialists	1,064,410		1,064,410	1,064,409	1
Total other supplemental/at-risk programs-instruction	1,064,410		1,064,410	1,064,409	1
Total instruction	50,214,025	288,249	50,502,274	50,420,267	82,007
Undistributed expenditures:					
Instruction:					
Tuition to other LEAs within the state-special	1,237,607	9,589	1,247,196	1,247,195	1
Tuition to private school for the disabled - within state	5,057,553	110,650	5,168,203	5,154,782	13,421
Tuition to priv sch for the disabled & oth LEAs-Spl, O/S St	109,106	9,152	118,258	118,257	1
Total undistributed instruction	6,404,266	129,391	6,533,657	6,520,234	13,423
Attendance and social work services:					
Salaries	71,204	26,506	97,710	97,710	
Total attendance and social work services	71,204	26,506	97,710	97,710	
Health services:					
Salaries	947,673	6,501	954,174	954,173	1
Other purchased services		150	150		150
Supplies and materials	26,750	(2,780)	23,970	21,903	2,067
Total health services	974,423	3,871	978,294	976,076	2,218

Livingston Board of Education  
General Fund

Budgetary Comparison Schedule  
(Budgetary Basis)

Year ended June 30, 2017

	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	\$ 1,067,843		\$ 1,067,843	\$ 1,067,842	\$ 1
Purchased professional - educational services	381,919	\$ (14,435)	367,484	366,824	660
Supplies and materials	18,800	(1,618)	17,182	17,164	18
Total speech, OT, PT & related services	1,468,562	(16,053)	1,452,509	1,451,830	679
Other support services - students - extra services:					
Purchased professional - educational services	900,000	(13,741)	886,259	886,251	8
Total other support services - students - extra services	900,000	(13,741)	886,259	886,251	8
Guidance:					
Salaries of other professional staff	1,857,228		1,857,228	1,857,227	1
Salaries of secretarial and clerical assistants	235,687		235,687	235,687	
Other purchased professional - technical services	12,923	(2,415)	10,508	10,508	
Other purchased services	3,700	(3,221)	479	479	
Supplies and materials	80,757	(47,690)	33,067	32,683	384
Total guidance	2,190,295	(53,326)	2,136,969	2,136,584	385
Child study teams:					
Salaries of other professional staff	2,789,495	128,162	2,917,657	2,917,656	1
Salaries of secretarial and clerical assistants	263,787	5,659	269,446	269,445	1
Purchased professional - educational services	100,000	275	100,275	100,274	1
Other purchased prof. and tech. services	30,000	43,012	73,012	73,011	1
Miscellaneous purchased serv.	8,000	(1,701)	6,299	6,250	49
Supplies and materials	20,000		20,000	19,974	26
Other objects	8,000		8,000	8,000	
Total child study teams	3,219,282	175,407	3,394,689	3,394,610	79
Improvement of instructional services:					
Salaries of supervisors of instruction	1,569,158	(10,172)	1,558,986	1,558,985	1
Salaries of other professional staff	363,659		363,659	363,658	1
Salaries of secretaries and clerical assistants	215,489		215,489	215,489	
Purchased professional - educational services	26,661	(3,101)	23,560	23,515	45
Other purchased services	1,935	(1,316)	619	619	
Supplies and materials	29,610	(5,730)	23,880	23,653	227
Other objects	7,300	(2,000)	5,300	5,273	27
Total improvement of instructional services	2,213,812	(22,319)	2,191,493	2,191,192	301

Livingston Board of Education  
General Fund

Budgetary Comparison Schedule  
(Budgetary Basis)

Year ended June 30, 2017

	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	\$ 1,088,776		\$ 1,088,776	\$ 1,088,776	
Other purchased services	9,254	\$ (6,454)	2,800	2,800	
Supplies and materials	183,778	(15,600)	168,178	167,395	\$ 783
Other objects	318		318	318	
Total educational media services/school library	1,282,126	(22,054)	1,260,072	1,259,289	783
Instructional staff training services:					
Salaries of supervisors of instruction	392,289		392,289	392,289	
Purchased professional - educational services	45,000	(18,590)	26,410	26,410	
Other purchased services	35,184	(1,903)	33,281	25,010	8,271
Supplies and materials	20,000	(3,745)	16,255	16,030	225
Other objects	8,000		8,000	7,655	345
Total instructional staff training services	500,473	(24,238)	476,235	467,394	8,841
Support services-general administration:					
Salaries	356,791		356,791	356,791	
Legal services	175,000	47,401	222,401	222,401	
Audit Fees	60,000	(1,050)	58,950	58,950	
Other purchased prof. services	10,000	(1,367)	8,633	8,632	1
Purchased technical services	10,000		10,000	9,196	804
Communications/telephone	300,000	(17,479)	282,521	282,512	9
BOE other purchased services	1,000	(1,000)			
Miscellaneous purchased services	289,100	(19,821)	269,279	268,800	479
General supplies	30,000	(16,480)	13,520	13,475	45
BOE In-house training	5,000	(5,000)			
Miscellaneous expenditures	72,000	(1,726)	70,274	70,212	62
Total support services-general administration	1,308,891	(16,522)	1,292,369	1,290,969	1,400
Support services-school administration:					
Salaries of principals/ assistant principals	2,070,195		2,070,195	2,070,195	
Salaries of other professional staff	478,344		478,344	478,344	
Salaries of secretarial and clerical assistants	1,360,492		1,360,492	1,360,492	
Purchased professional and technical services	46,500	(1,346)	45,154	44,924	230
Other purchased services	55,210	(9,735)	45,475	45,250	225
Supplies and materials	403,935	(19,185)	384,750	381,992	2,758
Total support services-school administration	4,414,676	(30,266)	4,384,410	4,381,197	3,213
Required maintenance for school facilities:					
Salaries	866,452	32,767	899,219	899,215	4
Cleaning, repair and maintenance services	246,200	(1,767)	244,433	242,168	2,265
General supplies	133,500	923	134,423	133,473	950
Total required maintenance for school facilities	1,246,152	31,923	1,278,075	1,274,856	3,219

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

Year ended June 30, 2017

	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	\$ 2,569,296	\$ 114,497	\$ 2,683,793	\$ 2,683,792	\$ 1
Purchased professional and technical services	35,000	10,129	45,129	45,129	
Cleaning, repair and maintenance services	100,000	(3,270)	96,730	96,729	1
Rental of land and bldg. other than lease purch. agreements	112,258		112,258	112,257	1
Other purchased property services	70,000	18,000	88,000	87,980	20
Insurance	485,000	(24,561)	460,439	460,439	
General supplies	325,000	33,658	358,658	357,540	1,118
Energy (Natural Gas and Electricity)	1,750,000	(310,765)	1,439,235	1,439,234	1
Total custodial services	5,446,554	(162,312)	5,284,242	5,283,100	1,142
Operation and maintenance of plant services-					
care and upkeep of grounds:					
Salaries	62,584		62,584	62,584	
Total care and upkeep of grounds	62,584		62,584	62,584	
Security:					
Salaries	182,272	6,416	188,688	188,688	
Total security	182,272	6,416	188,688	188,688	
Total operation and maintenance of plant services	6,937,562	(123,973)	6,813,589	6,809,228	4,361
Student transportation services:					
Salaries for pupil transportation:					
Between home and school - regular	836,480	(30,000)	806,480	806,480	
Other than bet. home & sch - regular	300,000		300,000	300,000	
Contracted services:					
Other than bet. home & sch - vendors	154,262	19,732	173,994	173,712	282
Bet. Home & school -joint agreements	6,000	(6,000)			
Special ed stds - vendors	1,300,000	189,028	1,489,028	1,489,027	1
Aid in lieu of payments	120,000	9,700	129,700	128,902	798
General supplies	250,000	10,192	260,192	260,192	
Other objects	7,000	(2,007)	4,993	4,993	
Total student transportation services	2,973,742	190,645	3,164,387	3,163,306	1,081
Undistributed expenditures - central services:					
Salaries	1,099,877		1,099,877	1,099,877	
Purchased professional services	143,500	56,595	200,095	175,519	24,576
Misc purch serv	18,000	8,100	26,100	25,470	630
Supplies and materials	70,000	(19,477)	50,523	50,505	18
Interest for current loans	37,000	188	37,188	37,188	
Interest for lease purchase agreements	18,363		18,363	18,362	1
Miscellaneous expenditures	6,000	(692)	5,308	5,308	
Total central services	1,392,740	44,714	1,437,454	1,412,229	25,225
Admin. info. tech.:					
Salaries	882,801		882,801	882,590	211
Purchased professional services	45,000	(4,073)	40,927	40,926	1
Other purchased services	473,177	(28,338)	444,839	444,393	446
Supplies and materials	17,350	(8,635)	8,715	8,715	
Total admin. info. tech.	1,418,328	(41,046)	1,377,282	1,376,624	658

Livingston Board of Education  
General Fund

Budgetary Comparison Schedule  
(Budgetary Basis)  
Year ended June 30, 2017

	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	\$ 1,400,000	\$ 30,275	\$ 1,430,275	\$ 1,430,275	
Other retirement contributions - PERS	1,300,000	(98,109)	1,201,891	1,201,891	
Other retirement contributions - Regular		118,660	118,660	118,660	
Worker's compensation	675,000	(200,756)	474,244	474,243	\$ 1
Health benefits	11,994,481	(199,244)	11,795,237	11,795,237	
Unemployment compensation	50,000	(50,000)			
Tuition reimbursement	154,690	696	155,386	154,636	750
Total unallocated benefits	15,574,171	(398,478)	15,175,693	15,174,942	751
On behalf TPAF pension, disability insurance and medical contribution (non-budgeted)				9,704,108	(9,704,108)
Reimbursed TPAF social security contributions (non-budgeted)				3,647,663	(3,647,663)
Total on-behalf payments				13,351,771	(13,351,771)
Total undistributed expenditures	53,244,553	(191,482)	53,053,071	66,341,436	(13,288,365)
Total expenditures - current	103,458,578	96,767	103,555,345	116,761,703	(13,206,358)
Capital outlay:					
Equipment:					
Regular programs - instruction:					
Grades 6-8	43,535		43,535	41,408	2,127
Undistributed expenditures:					
Noninstructional services	20,000		20,000	10,177	9,823
Total equipment	63,535	-	63,535	51,585	11,950
Facilities acquisition and construction services:					
Lease purchase agreements-principal	483,661		483,661	483,661	
Construction services	1,030,511	39,740	1,070,251	715,079	355,172
Other objects-assessment of debt service	68,734		68,734	68,734	
Total facilities acquisition and construction services	1,582,906	39,740	1,622,646	1,267,474	355,172
Total expenditures - capital outlay	1,646,441	39,740	1,686,181	1,319,059	367,122
Transfer of funds to charter schools	35,671		35,671	35,671	-
Total expenditures	105,140,690	136,507	105,277,197	118,116,433	(12,839,236)
(Deficiency) excess of revenues (under) over expenditures	(1,300,000)	(136,507)	(1,436,507)	109,439	1,545,946
Other financing sources:					
Transfers in					
Total other financing sources	-	-	-	7,064	7,064
(Deficiency) excess of revenues (under) over expenditures and other financing sources	(1,300,000)	(136,507)	(1,436,507)	116,503	1,553,010
Fund balances, July 1	8,239,825		8,239,825	8,239,825	
Fund balances, June 30	\$ 6,939,825	\$ (136,507)	\$ 6,803,318	\$ 8,356,328	\$ 1,553,010

Livingston Board of Education  
General Fund

Budgetary Comparison Schedule  
(Budgetary Basis)

Year ended June 30, 2017

	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	\$ (1,300,000)		\$ (1,300,000)	\$ 245,946	\$ 1,545,946
Capital projects fund transfer to general fund				7,064	7,064
Adjustment for prior year encumbrances		\$ (136,507)	(136,507)	(136,507)	
<b>Total</b>	<b>\$ (1,300,000)</b>	<b>\$ (136,507)</b>	<b>\$ (1,436,507)</b>	<b>\$ 116,503</b>	<b>\$ 1,553,010</b>
<b>Recapitulation of fund balance:</b>					
<b>Restricted Fund Balance:</b>					
Excess surplus restricted for subsequent years expenditures				\$ 897,076	
Excess surplus - current year				717,181	
Capital reserve				2,870,136	
Emergency reserve				323,335	
<b>Assigned to:</b>					
Designated for subsequent years' expenditures				402,924	
Year end encumbrances				337,310	
<b>Unassigned fund balance</b>				<b>2,808,366</b>	
				<u>8,356,328</u>	
<b>Reconciliation to Governmental Funds Statements (GAAP):</b>					
Last state aid payments not recognized on GAAP basis				(228,995)	
Solar Renewable Energy Credits (SREC) income				87,429	
<b>Fund balance per Governmental Funds (GAAP)</b>				<b>\$ 8,214,762</b>	

Livingston Board of Education  
Special Revenue Fund

Budgetary Comparison Schedule  
(Budgetary Basis)

Year ended June 30, 2017

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenues:					
State sources	\$ 864,404		\$ 864,404	\$ 809,398	\$ (55,006)
Federal sources	1,588,653		1,588,653	1,588,653	
Other sources	30,465		30,465	30,465	
Total revenues	<u>2,483,522</u>		<u>2,483,522</u>	<u>2,428,516</u>	<u>(55,006)</u>
Expenditures:					
Current expenditures:					
Instruction:					
Salaries	639,861		639,861	639,861	
Other purchased services	600,000		600,000	600,000	
Supplies and materials	66,761		66,761	60,762	5,999
Textbooks	51,127		51,127	49,767	1,360
Other objects	774,901		774,901	727,254	47,647
Total instruction	<u>2,132,650</u>		<u>2,132,650</u>	<u>2,077,644</u>	<u>55,006</u>
Support services:					
Benefits	47,019		47,019	47,019	
Purchased professional and educational / technical services	250,339		250,339	250,339	
General supplies	53,514		53,514	53,514	
Total support services	<u>350,872</u>		<u>350,872</u>	<u>350,872</u>	<u>-</u>
Facilities acquisition and construction services:					
Instructional equipment	2,302,593		2,302,593	2,302,593	
Total facilities acquisition and construction services	<u>2,302,593</u>		<u>2,302,593</u>	<u>2,302,593</u>	<u>-</u>
Total expenditures	<u>4,786,115</u>		<u>4,786,115</u>	<u>4,731,109</u>	<u>55,006</u>
(Deficiency) of revenues (under) expenditures	(2,302,593)		(2,302,593)	(2,302,593)	-
Fund balance, July 1	2,302,593	-	2,302,593	2,302,593	-
Fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Livingston Board of Education  
Note to Required Supplementary Information

Budget to GAAP Reconciliation

Year ended June 30, 2017

	<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)	\$ 118,225,872	\$ 2,428,516
State aid payments recognized for GAAP statements in the current year, not previously recognized.	(228,995)	
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).	236,297	
Adjustment to record the value of Solar Renewable Energy credits (SREC) income on the modified accrual basis.	87,429	
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds (B-2)	\$ 118,320,603	\$ 2,428,516
<b>Uses/outflows of resources</b>		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule (C-1, C-2)	\$ 118,116,433	\$ 4,731,109
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (B-2)	\$ 118,116,433	\$ 4,731,109



## 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, 2017

	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	\$ 49,767	\$ 32,377	\$ 75,562	\$ 136,080	\$ 65,648	\$ 449,964				
Federal sources							\$ 133,707	\$ 64,538	\$ 21,505	\$ 11,880
Local sources										
Total revenues	<u>\$ 49,767</u>	<u>\$ 32,377</u>	<u>\$ 75,562</u>	<u>\$ 136,080</u>	<u>\$ 65,648</u>	<u>\$ 449,964</u>	<u>\$ 133,707</u>	<u>\$ 64,538</u>	<u>\$ 21,505</u>	<u>\$ 11,880</u>
Expenditures:										
Instruction:										
Salaries							\$ 100,006	\$ 51,220		
Other purchased services									\$ 16,505	\$ 11,880
Supplies and materials		\$ 32,377								
Textbooks	\$ 49,767									
Other objects			\$ 75,562	\$ 136,080	\$ 65,648	\$ 449,964				
Total instruction	<u>49,767</u>	<u>32,377</u>	<u>75,562</u>	<u>136,080</u>	<u>65,648</u>	<u>449,964</u>	<u>100,006</u>	<u>51,220</u>	<u>16,505</u>	<u>11,880</u>
Undistributed:										
Support services:										
Benefits							33,701	13,318		
Purchased professional and educational/ technical services									5,000	
General supplies										
Total support services							<u>33,701</u>	<u>13,318</u>	<u>5,000</u>	
Facilities acquisition and construction services:										
Instructional equipment										
Total facilities acquisition and construction services										
Total expenditures	<u>49,767</u>	<u>32,377</u>	<u>75,562</u>	<u>136,080</u>	<u>65,648</u>	<u>449,964</u>	<u>133,707</u>	<u>64,538</u>	<u>21,505</u>	<u>11,880</u>
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, 2017

	IDEA		LMAC	NJSBAIG	BASF	FEMA	2015-2016	Totals
	Part B Basic	Part B Basic	Grant Current	Grant Current	Grant Current	Current	Capital Lease TD Equipment Financing	
Revenues:								
State sources								\$ 809,398
Federal sources	\$ 2,497	\$ 1,277,029	\$ 54,448			\$ 23,049		1,588,653
Local sources				\$ 10,404	\$ 16,386	\$ 3,675		30,465
Total revenues	<u>\$ 2,497</u>	<u>\$ 1,277,029</u>	<u>\$ 54,448</u>	<u>\$ 10,404</u>	<u>\$ 16,386</u>	<u>\$ 3,675</u>	<u>\$ 23,049</u>	<u>\$ 2,428,516</u>
Expenditures:								
Instruction:								
Salaries		\$ 453,559	\$ 35,076					\$ 639,861
Other purchased services		600,000						600,000
Supplies and materials								60,762
Textbooks								49,767
Other objects								727,254
Total instruction		<u>1,053,559</u>	<u>35,076</u>					<u>2,077,644</u>
Undistributed:								
Support services:								
Health benefits								47,019
Purchased professional and educational/ technical services	\$ 2,497	223,470	19,372	\$ 10,404	\$ 16,386	\$ 3,675	\$ 23,049	250,339
General supplies				\$ 10,404	\$ 16,386	\$ 3,675	\$ 23,049	53,514
Total support services	<u>2,497</u>	<u>223,470</u>	<u>19,372</u>	<u>10,404</u>	<u>16,386</u>	<u>3,675</u>	<u>23,049</u>	<u>350,872</u>
Facilities acquisition and construction services:								
Instructional equipment							\$ 2,302,593	2,302,593
Total facilities acquisition and construction services							<u>2,302,593</u>	<u>2,302,593</u>
Total expenditures	<u>2,497</u>	<u>1,277,029</u>	<u>54,448</u>	<u>10,404</u>	<u>16,386</u>	<u>3,675</u>	<u>23,049</u>	<u>4,731,109</u>
Net changes in fund balance	-	-	-	-	-	-	(2,302,593)	(2,302,593)
Fund balance, July 1	-	-	-	-	-	-	2,302,593	2,302,593
Fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</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, 2017

	<b>Current Year</b>
<b>Revenues and other financing sources</b>	
Interest on investments	\$ 7,064
State Sources-SDA Grant	
Bond Proceeds	
Transfer from Capital Reserve	
Transfer from Capital Outlay	
Total revenues	7,064
<b>Expenditures</b>	
Purchased professional and technical services	211,820
Construction services	2,650,365
Total expenditures	2,862,185
Deficiency of revenues under expenditures	(2,855,121)
Other financing uses:	
Transfers out	(7,064)
Total other financing uses:	(7,064)
Net change in fund balance	(2,862,185)
Fund Balance, July 1	11,740,419
Fund Balance, June 30	\$ 8,878,234
 <u>Reconciliation of budgetary basis to GAAP basis:</u>	
Fund balance, budgetary basis, June 30, 2017	\$ 8,878,234
Less: Revenue not recognized on a GAAP basis	(4,270,011)
Fund balance, GAAP basis, June 30, 2017	\$ 4,608,223

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, 2017

	Prior Periods	Current Year	Totals	Revised Authorized Cost
<b>Revenues and other financing sources</b>				
State Sources - SDA Grant	\$ 23,858,811		\$ 23,858,811	\$ 23,858,811
Bond proceeds and transfers	105,596,000		105,596,000	112,006,849
Transfer from capital reserve	2,660,000		2,660,000	2,660,000
Transfer from capital outlay	480,382		480,382	480,382
Total revenues	<u>132,595,193</u>	<u>-</u>	<u>132,595,193</u>	<u>\$ 139,006,042</u>
<b>Expenditures and other financing uses</b>				
Purchased professional and technical services	10,253,022	211,820	10,464,842	
Land and improvements				
Construction services	110,314,545	2,650,365	112,964,910	
Equipment				
Transfers out	68,496		68,496	
Bond issuance costs	218,711		218,711	
Total expenditures and other financing uses	<u>120,854,774</u>	<u>2,862,185</u>	<u>123,716,959</u>	
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 11,740,419</u>	<u>\$ (2,862,185)</u>	<u>\$ 8,878,234</u>	

Referendums

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, 2017

	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			
Percentage Increase over Original				
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, 2017

	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			
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)

Burnet Hill Solar Panels

From Inception and for the year ended June 30, 2017

	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, 2017

	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	5,147,805	-	5,147,805	\$ 5,547,274
<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	4,599,365	-	4,599,365	
Excess (deficiency) of revenues over (under) expenditures	\$ 548,440	\$ -	\$ 548,440	
<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, 2017

	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, 2017

	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, 2017

	Prior Periods	Current Year	Totals	Revised Authorized Cost
<b>Revenues and other financing sources</b>				
State Sources - SDA Grant	\$ 3,404,322		\$ 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	8,734,002	-	8,734,002	\$ 9,460,913
<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	7,330,920	-	7,330,920	
Excess (deficiency) of revenues over (under) expenditures	\$ 1,403,082	\$ -	\$ 1,403,082	
<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, 2017

	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, 2017

	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	4,580,220	-	4,580,220	\$ 4,937,894
<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	4,105,760	-	4,105,760	
Excess (deficiency) of revenues over (under) expenditures	\$ 474,460	\$ -	\$ 474,460	
<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			
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 Facility Upgrades

From Inception and for the year ended June 30, 2017

	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	3,548,353	-	3,548,353	\$ 3,823,706
<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	2,888,180	-	2,888,180	
Excess (deficiency) of revenues over (under) expenditures	\$ 660,173	-	\$ 660,173	
<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, 2017

	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			
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 Solar Panels

From Inception and for the year ended June 30, 2017

	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, 2017

	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>	
<b>Additional project information</b>				
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, 2017

	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>\$ 255,618</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, 2017

	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>\$ 868,000</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, 2017

	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>\$ 6,262,595</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, 2017

	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>\$ 1,319,000</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, 2017

	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>\$ 13,007,790</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>	
<b>Additional project information</b>				
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, 2017

	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>\$ 900,000</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, 2017

	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>\$ 1,305,054</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, 2017

	Prior Periods	Current Year	Totals	Revised Authorized Cost
<b>Revenues and other financing sources</b>				
State Sources - SDA Grant				
Bond Proceeds and transfers	\$ 17,000,000		\$ 17,000,000	\$ 18,200,000
Contribution from Private sources				
Transfer from capital reserve				
Transfer from capital outlay				
Total revenues	<u>17,000,000</u>	<u>-</u>	<u>17,000,000</u>	<u>\$ 18,200,000</u>
<b>Expenditures and other financing uses</b>				
Purchased professional and technical services	2,525,260	\$ 51,193	2,576,453	
Land and improvements				
Construction services	13,504,613	225,323	13,729,936	
Equipment				
Transfers Out				
Bond issuance costs	53,298		53,298	
Total expenditures and other financing uses	<u>16,083,171</u>	<u>276,516</u>	<u>16,359,687</u>	
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 916,829</u>	<u>\$ (276,516)</u>	<u>\$ 640,313</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		89.89%		
Original target completion date		6/30/2016		
Revised target completion date		6/30/2018		

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, 2017

	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	<u>481,000</u>	<u>-</u>	<u>481,000</u>	<u>\$ 481,000</u>
<b>Expenditures and other financing uses</b>				
Purchased professional and technical services	20,782	\$ 18,577	39,359	
Land and improvements				
Construction services	37,363	191,016	228,379	
Equipment				
Transfers Out				
Bond issuance costs				
Total expenditures and other financing uses	<u>58,145</u>	<u>209,593</u>	<u>267,738</u>	
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 422,855</u>	<u>\$ (209,593)</u>	<u>\$ 213,262</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	55.66%			
Original target completion date	6/30/2017			
Revised target completion date	6/30/2018			

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, 2017

	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>-</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	\$ 39,525	45,102	
Land and improvements				
Construction services	109,914	897,545	1,007,459	
Equipment				
Transfers Out				
Bond issuance costs				
Total expenditures and other financing uses	<u>115,491</u>	<u>937,070</u>	<u>1,052,561</u>	
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 1,477,759</u>	<u>\$ (937,070)</u>	<u>\$ 540,689</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	66.06%			
Original target completion date	6/30/2017			
Revised target completion date	6/30/2018			

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, 2017

	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	<u>603,000</u>	<u>-</u>	<u>603,000</u>	<u>\$ 603,000</u>
<b>Expenditures and other financing uses</b>				
Purchased professional and technical services	27,054	\$ 23,704	50,758	
Land and improvements				
Construction services	34,488	214,521	249,009	
Equipment				
Transfers Out				
Bond issuance costs				
Total expenditures and other financing uses	<u>61,542</u>	<u>238,225</u>	<u>299,767</u>	
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 541,458</u>	<u>\$ (238,225)</u>	<u>\$ 303,233</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	49.71%			
Original target completion date	6/30/2017			
Revised target completion date	6/30/2018			

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, 2017

	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>-</u>	<u>323,000</u>	<u>\$ 323,000</u>
<b>Expenditures and other financing uses</b>				
Purchased professional and technical services	14,504	\$ 12,442	26,946	
Land and improvements				
Construction services	52,692	201,760	254,452	
Equipment				
Transfers Out				
Bond issuance costs				
Total expenditures and other financing uses	<u>67,196</u>	<u>214,202</u>	<u>281,398</u>	
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 255,804</u>	<u>\$ (214,202)</u>	<u>\$ 41,602</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	87.12%			
Original target completion date	6/30/2017			
Revised target completion date	6/30/2018			



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, 2017

	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>-</u>	<u>323,000</u>	<u>\$ 323,000</u>
<b>Expenditures and other financing uses</b>				
Purchased professional and technical services	14,553	\$ 12,468	27,021	
Land and improvements				
Construction services	60,821	208,420	269,241	
Equipment				
Transfers Out				
Bond issuance costs				
Total expenditures and other financing uses	<u>75,374</u>	<u>220,888</u>	<u>296,262</u>	
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 247,626</u>	<u>\$ (220,888)</u>	<u>\$ 26,738</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	91.72%			
Original target completion date	6/30/2017			
Revised target completion date	6/30/2018			

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, 2017

	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	<u>991,000</u>	<u>-</u>	<u>991,000</u>	<u>\$ 991,000</u>
<b>Expenditures and other financing uses</b>				
Purchased professional and technical services	42,016	\$ 53,911	95,927	
Land and improvements				
Construction services	78,678	711,780	790,458	
Equipment				
Transfers Out				
Bond issuance costs				
Total expenditures and other financing uses	<u>120,694</u>	<u>765,691</u>	<u>886,385</u>	
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 870,306</u>	<u>\$ (765,691)</u>	<u>\$ 104,615</u>	
<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	89.44%			
Original target completion date	6/30/2017			
Revised target completion date	6/30/2018			

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, 2017

	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	<u>610,000</u>	<u>-</u>	<u>610,000</u>	<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	<u>436,369</u>	<u>-</u>	<u>436,369</u>	
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 173,631</u>	<u>\$ -</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	6/30/2018			

Livingston Board of Education  
Capital Projects Fund

Summary Schedule of Project Expenditures  
(Budgetary Basis)

Year ended June 30, 2017

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	46,323,269	\$ 2,585,669	10,768,479
Additions/renovations at Various Schools	18,200,000	16,083,171	276,516	1,840,313
LHS Roof Part A	610,000	436,369		173,631
Solar Panels	8,687,905	6,192,019		2,495,886
	<u>\$ 138,696,322</u>	<u>\$ 120,545,054</u>	<u>\$ 2,862,185</u>	<u>15,289,083</u>
Bonds and notes authorized and not issued				(6,410,849)
			F-1	<u>\$ 8,878,234</u>

Components of appropriations for referendum questions - high school renovations

Bonds authorized 6/15/06	\$ 8,000,000
Bonds authorized 10/9/07	<u>43,521,000</u>
	<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	<u>\$ 8,687,905</u>
	<u>\$ 8,687,905</u>

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

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

## Fiduciary Funds

Livingston Board of Education  
Trust and Agency Funds

Combining Statement of Fiduciary Net Position

June 30, 2017

	<u>Trust</u>	<u>Agency</u>		<u>Total Agency</u>
	<u>Unemployment Compensation</u>	<u>Student Activity</u>	<u>Payroll</u>	
<b>Assets</b>				
Cash and cash equivalents	\$ 273,931	\$ 458,359	\$ 2,823,378	\$ 3,281,737
Interfund receivable	66,000			
Total assets	<u>339,931</u>	<u>\$ 458,359</u>	<u>\$ 2,823,378</u>	<u>\$ 3,281,737</u>
<b>Liabilities</b>				
Payroll deductions and withholdings payable			\$ 737,637	\$ 737,637
Summer payroll escrow payable			2,019,741	2,019,741
Interfund payable			66,000	66,000
Accounts payable	13,535			
Due to student groups		\$ 458,359		458,359
Total liabilities	<u>13,535</u>	<u>\$ 458,359</u>	<u>\$ 2,823,378</u>	<u>\$ 3,281,737</u>
<b>Net position</b>				
Held in trust for unemployment claims	<u>326,396</u>			
Total net position	<u>\$ 326,396</u>			

Livingston Board of Education  
Student Activity Agency Fund

Schedule of Cash Receipts and Cash Disbursements

Year ended June 30, 2017

	Balance July 1, 2016	Cash Receipts	Cash Disbursements	Balance June 30, 2017
Elementary schools:				
Burnet Hill	\$ 6,514	\$ 13,850	\$ 12,241	\$ 8,123
Riker Hill	8,213	8,507	10,117	6,603
Collins	2,525	28,909	25,640	5,794
Harrison	5,971	18,995	20,435	4,531
Hillside	915	23,470	17,218	7,167
Mount Pleasant	7,691	11,219	10,009	8,901
	<u>31,829</u>	<u>104,950</u>	<u>95,660</u>	<u>41,119</u>
Middle schools:				
Heritage	22,465	83,138	82,710	22,893
Mount Pleasant	34,985	23,109	22,339	35,755
	<u>57,450</u>	<u>106,247</u>	<u>105,049</u>	<u>58,648</u>
High school:				
Senior High School	371,144	590,079	609,086	352,137
Athletic account	13,788	113,282	120,615	6,455
	<u>384,932</u>	<u>703,361</u>	<u>729,701</u>	<u>358,592</u>
Total all schools	<u>\$ 474,211</u>	<u>\$ 914,558</u>	<u>\$ 930,410</u>	<u>\$ 458,359</u>

Livingston Board of Education  
Payroll Agency Fund

Schedule of Cash Receipts and Cash Disbursements

Year ended June 30, 2017

	<b>Balance July 1, 2016</b>	<b>Cash Receipts</b>	<b>Cash Disbursements</b>	<b>Balance June 30, 2017</b>
<b>Assets</b>				
Cash and cash equivalents	\$ 2,497,015	\$ 79,288,536	\$ 78,962,173	\$ 2,823,378
Total assets	<u>\$ 2,497,015</u>	<u>\$ 79,288,536</u>	<u>\$ 78,962,173</u>	<u>\$ 2,823,378</u>
<b>Liabilities</b>				
Interfund payable		\$ 66,000		\$ 66,000
Payroll deductions and withholdings	\$ 648,823	77,202,795	\$ 77,113,981	737,637
Summer payroll escrow payable	1,848,192	2,019,741	1,848,192	2,019,741
Total liabilities	<u>\$ 2,497,015</u>	<u>\$ 79,288,536</u>	<u>\$ 78,962,173</u>	<u>\$ 2,823,378</u>



## Long-Term Debt

Livingston Board of Education  
Long-Term Debt  
Schedule of Serial Bonds Payable

Year ended June 30, 2017

Issue	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance July 1, 2016	Retired	Balance June 30, 2017
			Date	Amount				
High School Renovations	10/9/07	\$ 43,521,000	7/15/17	\$ 1,250,000	4.500 %	\$ 2,500,000	\$ 1,250,000	\$ 1,250,000
School Refunding Bonds	3/11/10	12,405,000	7/15/17	1,275,000	3.000	8,545,000	1,230,000	7,315,000
			7/15/18	1,315,000	4.000			
			7/15/19	1,370,000	4.000			
			7/15/20	1,405,000	4.000			
			7/15/21	1,475,000	4.000			
			7/15/22	475,000	4.000			
Renovations to Schools	8/3/10	9,000,000	7/15/17	1,000,000	2.000	5,000,000	1,000,000	4,000,000
			7/15/18	1,000,000	2.125			
			7/15/19	1,000,000	2.350			
			7/15/20	1,000,000	2.500			
Renovations to Schools	10/1/13	8,500,000	8/1/17	475,000	2.000	7,750,000	400,000	7,350,000
			8/1/18	525,000	2.000			
			8/1/19	650,000	2.000			
			8/1/20	700,000	2.000			
			8/1/21	350,000	2.000			
			8/1/22	650,000	2.000			
			8/1/23	650,000	3.000			
			8/1/24	650,000	3.000			
			8/1/25	650,000	3.000			
			8/1/26	650,000	3.000			
			8/1/27	700,000	3.000			
			8/1/28	700,000	3.000			
			Renovations to Schools	8/6/2015	8,500,000			
8/1/18	450,000	2.000						
8/1/19	450,000	2.000						
8/1/20	550,000	2.000						
8/1/21	350,000	2.000						
8/1/22	700,000	2.000						
8/1/23	700,000	2.000						
8/1/24	700,000	2.000						
8/1/25	700,000	2.125						
8/1/26	700,000	3.000						
8/1/27	700,000	3.000						
8/1/28	700,000	3.000						
8/1/29	700,000	3.000						
8/1/30	700,000	3.000						
School Refunding Bonds	9/24/2015	61,010,000	7/15/17	160,000	3.000	60,845,000	150,000	60,695,000
			7/15/18	1,345,000	4.000			
			7/15/19	1,350,000	5.000			
			7/15/20	1,355,000	4.000			
			7/15/21	3,250,000	5.000			
			7/15/22	3,635,000	5.000			
			7/15/23	3,840,000	5.000			
			7/15/24	3,790,000	5.000			
			7/15/25	3,945,000	5.000			
			7/15/26	3,060,000	5.000			
			7/15/27	3,180,000	5.000			
			7/15/28	3,250,000	5.000			
			7/15/29	3,305,000	4.000			
			7/15/30	3,315,000	4.000			
			7/15/31	3,440,000	4.360			
			7/15/32	3,515,000	4.500			
			7/15/33	3,690,000	4.160			
7/15/34	3,800,000	5.000						
7/15/35	3,825,000	5.000						
7/15/36	1,835,000	5.000						
7/15/37	1,810,000	5.000						
						<u>\$ 93,140,000</u>	<u>\$ 4,030,000</u>	<u>\$ 89,110,000</u>

Livingston Board of Education  
Long-Term Debt

Schedule of Obligations Under Capital Leases

Year ended June 30, 2017

	Interest Rate	Amount of Original Issue	Balance July 1, 2016	Retired	Balance June 30, 2017
TD Equipment Financing	1.48%	\$ 1,000,000	\$ 1,000,000	\$ 328,088	\$ 671,912
TD Equipment Financing	1.22%	2,800,000	2,800,000	37,325	2,762,675
U.S. Bancorp	1.06%	1,200,000	599,967	298,393	301,574
TD Bank	1.94%	750,000	155,574	155,574	
			<u>\$ 4,555,541</u>	<u>\$ 819,380</u>	<u>\$ 3,736,161</u>

Livingston Board of Education  
Debt Service Fund

Budgetary Comparison Schedule

Year ended June 30, 2017

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenues:					
Local sources:					
Miscellaneous-sale of SREC's	\$ 112,320		\$ 112,320	\$ 81,066	\$ (31,254)
Local tax levy	6,853,299		6,853,299	6,853,299	
State sources:					
Debt service aid type II	823,251		823,251	823,251	
Total revenues	<u>7,788,870</u>		<u>7,788,870</u>	<u>7,757,616</u>	<u>(31,254)</u>
Expenditures:					
Interest on bonds	3,846,550		3,846,550	3,846,550	
Principal on bonds	4,030,000		4,030,000	4,030,000	
Total expenditures	<u>7,876,550</u>		<u>7,876,550</u>	<u>7,876,550</u>	
(Deficiency) of revenues (under) expenditures	<u>(87,680)</u>		<u>(87,680)</u>	<u>(118,934)</u>	<u>(31,254)</u>
Other financing sources:					
Transfers in				41,699	41,699
Total other financing sources	<u>-</u>		<u>-</u>	<u>41,699</u>	<u>41,699</u>
Net change in fund balances	(87,680)	-	(87,680)	(77,235)	10,445
Fund balance, July 1	234,706		234,706	234,706	
Fund balance, June 30	<u>\$ 147,026</u>	<u>\$ -</u>	<u>\$ 147,026</u>	<u>\$ 157,471</u>	<u>\$ 10,445</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									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Governmental activities at Government-wide level</b>										
Net investment in capital assets	\$ 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	\$ 58,713,884
Restricted	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	8,775,638
Unrestricted (deficit)	(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)	(31,728,720)
<b>Total governmental activities net position</b>	<b>\$ 26,865,771</b>	<b>\$ 27,449,635</b>	<b>\$ 29,780,003</b>	<b>\$ 36,624,513</b>	<b>\$ 51,892,490</b>	<b>\$ 55,295,600</b>	<b>\$ 57,368,126</b>	<b>\$ 34,390,321</b>	<b>\$ 35,891,901</b>	<b>\$ 35,760,802</b>
<b>Business-type activities at Government-wide level</b>										
Net investment in capital assets										\$ 64,260
Unrestricted			\$ 37,129	\$ 101,382	\$ 117,150	\$ 123,159	\$ 156,564	\$ 163,609	\$ 124,697	25,952
<b>Total business-type activities net position</b>			<b>\$ 37,129</b>	<b>\$ 101,382</b>	<b>\$ 117,150</b>	<b>\$ 123,159</b>	<b>\$ 156,564</b>	<b>\$ 163,609</b>	<b>\$ 124,697</b>	<b>\$ 90,212</b>
<b>Government-wide level</b>										
Net investment in capital assets	\$ 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	\$ 58,778,144
Restricted	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	8,775,638
Unrestricted (deficit)	(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)	(31,702,768)
<b>Total government-wide net position</b>	<b>\$ 26,865,771</b>	<b>\$ 27,449,635</b>	<b>\$ 29,817,132</b>	<b>\$ 36,725,895</b>	<b>\$ 52,009,640</b>	<b>\$ 55,418,759</b>	<b>\$ 57,524,690</b>	<b>\$ 34,553,930</b>	<b>\$ 36,016,598</b>	<b>\$ 35,851,014</b>

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,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Expenses</b>										
<b>Governmental activities</b>										
Instruction	\$ 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	\$ 97,533,309
Support Services:										
Attendance and social work	349,537	336,610	101,614	111,223	87,045	83,146	68,300	81,890	111,626	175,412
Health services	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	1,735,851
Other support services	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	14,017,612
Improvement of instruction	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	3,893,894
Other support instructional staff	541,990	519,445	430,135	618,138	602,057	578,017	616,615	721,986	631,642	782,759
School library	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	2,132,844
General administration	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	1,617,068
School administration	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	7,511,172
Required maintenance of plant	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	1,986,685
Operation of plant	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	7,920,082
Student transportation	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	4,136,495
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	2,301,045
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	2,100,888
Business and other support services and benefits	3,422,862									
Charter Schools								35,575	30,910	35,671
Interest on long-term debt	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	3,387,409
Total governmental activities expenses	98,265,276	98,413,956	103,373,073	102,119,404	106,763,351	110,279,542	112,818,014	122,551,921	136,263,024	151,268,196
<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	2,139,565
Total business-type activities		835,526	785,620	899,767	942,943	935,828	1,064,344	1,326,939	1,731,199	2,139,565
Total district expenses	\$ 98,265,276	\$ 99,249,482	\$ 104,158,693	\$ 103,019,171	\$ 107,706,294	\$ 111,215,370	\$ 113,882,358	\$ 123,878,860	\$ 137,994,223	\$ 153,407,761
<b>Program Revenues</b>										
<b>Governmental activities:</b>										
Charges for services:										
Instruction (tuition)	\$ 33,185	\$ 104,008	\$ 72,370	\$ 116,574	\$ 53,985	\$ 10,083	\$ 46,993	\$ 112,693	\$ 170,384	\$ 241,640
Pupil transportation	88,270	158,875	158,408	114,679	310,880	315,153	301,983	337,630	372,107	489,254
Operating grants and contributions	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	2,428,516
Capital grants and contributions	57,804	74,938	978,472	4,427,857	12,398,388	449,567	280,721	123,888	121,562	1,034,268
Total governmental activities program revenues	2,025,040	2,186,677	4,044,976	6,985,804	15,118,705	2,896,053	2,645,464	2,905,969	2,951,938	4,193,678
<b>Business-type activities</b>										
Charges for services										
Food service		803,166	822,498	955,095	946,322	941,083	1,097,056	1,333,216	1,691,124	2,102,683
Total business-type activities		803,166	822,498	955,095	946,322	941,083	1,097,056	1,333,216	1,691,124	2,102,683
Total district program revenues	\$ 2,025,040	\$ 2,989,843	\$ 4,867,474	\$ 7,940,899	\$ 16,065,027	\$ 3,837,136	\$ 3,742,520	\$ 4,239,185	\$ 4,643,062	\$ 6,296,361
<b>Net (Expense)/Revenue</b>										
Governmental activities	\$ (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)	\$ (147,074,518)
Business-type activities		(32,360)	36,878	55,328	3,379	5,255	32,712	6,277	(40,075)	(36,882)
Total government-wide net expense	\$ (96,240,236)	\$ (96,259,639)	\$ (99,291,219)	\$ (95,078,272)	\$ (91,641,267)	\$ (107,378,234)	\$ (110,139,838)	\$ (119,639,675)	\$ (133,351,161)	\$ (147,111,400)



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

	Year ended June 30,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 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	\$ 99,918,029
Property taxes levied for debt service	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	6,853,299
Unrestricted grants and contributions	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	39,400,851
Investment earnings	1,438,113	485,083	34,904	65,852	96,553	38,900	61,224	23,943	88,831	150,948
Rental income	396,499	411,991	464,417	418,764	487,216	496,484	601,549	586,959	564,534	504,525
Miscellaneous income	78,615	194,190	118,070	40,180	241,280	215,386	336,001	265,788	200,351	115,767
Transfers		(32,008)		(8,678)	(11,602)					
<b>Total governmental activities</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>	<b>146,943,419</b>
Business-type activities:										
Interest earnings		352	251	247	787	754	693	768	1,163	2,397
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>2,397</b>
<b>Total government-wide</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>\$ 146,945,816</b>
<b>Change in Net Position</b>										
Governmental activities	\$ 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	\$ (131,099)
Business-type activities			37,129	64,253	15,768	6,009	33,405	7,045	(38,912)	(34,485)
<b>Total district</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>	<b>\$ (165,584)</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,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Fund										
Reserved	\$ 1,334,053	\$2,507,498	\$2,104,121							
Unreserved	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	\$ 4,807,728
Assigned				748,065	1,618,550	1,382,881	525,508	670,709	524,747	740,234
Unassigned				2,495,826	2,842,943	2,615,086	2,634,903	2,412,411	2,501,855	2,666,800
Total general fund	<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>	<u>\$ 8,214,762</u>
All Other Governmental Funds										
Unreserved, reported in:										
Special revenue fund									\$ 2,302,593	
Capital projects fund (deficit)	\$28,528,904	\$2,888,407	\$ (596,959)							
Debt service fund	1,179,227				\$ 10,013	\$ 53,510	\$ 323,480	\$ 87,680	234,706	\$ 157,471
Restricted for capital projects				\$ 23,905,996	5,059,573	3,799,090	9,749,837	(1,619,867)	6,436,140	4,608,223
Total all other governmental funds	<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>	<u>\$ 4,765,694</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,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Revenues</b>										
Tax levy	\$ 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	\$ 106,771,328
Tuition charges	33,185	104,008	72,370	116,574	53,985	10,083	46,993	112,693	170,384	241,640
Interest earnings	1,438,113	485,083	34,904	65,852	96,553	38,900	61,224	23,943	47,132	63,519
Investment income									41,699	87,429
Rental income			464,417	418,764	487,216	496,484	601,549	586,959	564,534	504,525
Miscellaneous	563,384	765,056	276,478	154,859	410,544	389,913	780,894	636,806	633,408	605,021
State sources	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	19,648,364
Local sources	1,000	996	13,664	45,108	41,027	41,914	16,418	32,279	22,806	30,465
Federal sources	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	1,595,776
<b>Total revenue</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>129,548,067</b>
<b>Expenditures</b>										
Instruction										
Regular and Special Education Instruction	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	52,497,911
Undistributed:										
Instruction	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	6,520,234
Attendance and social work	246,212	246,405	73,647	81,403	62,593	58,889	49,494	54,685	67,821	97,710
Health services	902,524	937,304	956,004	849,055	901,743	919,492	944,287	938,827	983,322	976,076
Other support services	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	8,220,147
Improvement of instruction	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	2,191,192
School library	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	1,259,289
Instructional staff training	423,426	1,142,884	337,040	480,072	452,692	430,027	464,605	524,358	403,168	467,394
General administration	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	1,290,969
School administration	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	4,381,197
Required maintenance of plant	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	1,274,856
Operation of plant	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	5,534,372
Student transportation	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	3,163,306
Business and oth supp. svcs & benefits	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	17,963,795
On Behalf TPAF social security & pension/medical contributions	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	13,351,771
Capital outlay	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	6,483,837
Charter Schools								35,575	30,910	35,671
Costs of issuance			144,797	96,800			53,298			
Debt service:										
Principal	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	4,030,000
Interest	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	3,846,550
<b>Total expenditures</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>126,660,276</b>	<b>133,586,277</b>
Excess (Deficiency) of revenues over (under) expenditures	(18,024,746)	(27,169,287)	(6,235,793)	(11,869,233)	(18,099,579)	(908,864)	(1,318,830)	(11,256,198)	(2,861,039)	(4,038,210)
<b>Other Financing sources (uses)</b>										
Capital leases (non-budgeted)	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	1,101,729	610,052	15,290	53,849	815,679	424,584	18,119	234,691	2,967,026	48,763
Transfers out	(1,101,729)	(642,060)	(15,290)	(62,527)	(827,281)	(424,584)	(18,119)	(234,691)	(2,967,026)	(48,763)
<b>Total other financing sources (uses)</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>-</b>
<b>Net change in fund balances</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>\$ 9,862,809</b>	<b>\$ (4,038,210)</b>
Debt service as a percentage of noncapital expenditures	2.3%	4.7%	4.9%	4.8%	6.2%	6.1%	6.4%	6.6%	6.2%	6.2%

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
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
2017	241,640	56,455	504,525	489,254	122,130	1,414,004

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>
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
2017	98,933,300	6,047,597,017	740,300	977,445,878	103,643,300	2,658,800	7,231,018,595	9,686,530	7,240,705,125	1.517

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	
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
2017	1.42	0.10	1.52	0.46	0.56	2.54

**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	2017			2008		
	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	1.82%	\$ 25,614,100	1	2.67%
KRG Livingston Center, LLC	46,726,300	2	0.65%			
Livingston Circle Associates	38,000,000	3	0.52%	8,000,000	2	0.83%
CIT Group Inc.	31,192,000	4	0.43%	6,072,000	3	0.63%
Eastgreen, Inc.	30,175,000	5	0.42%	5,294,000	4	0.55%
Formosa Plastics, Corp., USA	28,000,000	6	0.39%	3,654,000	7	0.38%
Livingston Retirement Care Assoc.	28,000,000	6	0.39%	4,750,000	5	0.49%
Trustee Sears Facilities	21,709,700	8	0.30%			
Allwood Associates	21,500,000	9	0.30%	3,460,300	9	0.34%
Esplanade Livingston, LLC	20,000,000	10	0.28%	3,024,000	10	0.32%
Marsag, L.P.				3,530,000	8	0.37%
Care Two, LLC	19,406,000	11	0.27%			
Hillside Northfield Partners, LLC	18,000,000	12	0.25%			
Singer Enterprises LLC	16,055,300	13	0.22%			
Northern LLC	16,000,000	14	0.22%			
G&S Livingston Realty 78-89 Northfield Rd.	15,610,000	15	0.22%	4,263,000	6	0.44%
Total	<u>\$ 482,374,300</u>		<u>6.68%</u>	<u>\$ 67,661,400</u>		<u>7.02%</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
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%	-
2017	106,771,328	106,771,328	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>	Per Capita <sup>a</sup>
	General Obligation Bonds*	Capital Leases	Bond Anticipation Notes			
2008	\$ 67,575,000	\$ 3,667,898		\$ 71,242,898	0.07%	\$ 46,895
2009	66,445,000	3,974,873		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		102,917,319	0.05%	51,617
2012	96,716,000	3,410,771		\$ 9,250,000 109,376,771	0.05%	59,342
2013	93,556,000	2,251,617		9,250,000 105,057,617	0.06%	60,577
2014	98,471,000	1,235,856		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		5,000,000 102,695,541	0.06%	58,319
2017	89,110,000	3,736,161		- 92,846,161	0.06%	60,030

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.

<sup>a</sup> 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 bonds 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			
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
2017	89,110,000	157,471	88,952,529	1.23%	60,030

**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, 2017  
 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	\$ 80,945,857	100.00%	\$ 80,945,857
County of Essex**	969,454,039	8.28%	80,270,794
Subtotal, overlapping debt			161,216,651
<b>Livingston Township School District Direct Debt*</b>			95,363,378
<b>Total direct and overlapping debt</b>			\$ 256,580,029

**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.

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

\* 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 2017

Equalized valuation basis	
2016	\$ 7,757,298,906
2015	7,651,295,614
2014	<u>7,592,122,840</u>
	<u>\$ 23,000,717,360</u>
	<u>\$ 7,666,905,787</u>
	<u>\$ 306,676,231</u>
	<u>95,363,378</u>
	<u>\$ 211,312,853</u>

Average equalized valuation of taxable property

Debt limit (4 % of average equalization value)

Net bonded school debt \*

Legal debt margin

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Debt limit	\$ 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	\$ 306,676,231
Total net debt applicable to limit	<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>	<u>95,363,378</u>
Legal debt margin	<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>	<u>211,312,853</u>
Total net debt applicable to the limit as a percentage of debt limit	21.99%	21.18%	33.39%	32.76%	35.26%	41.32%	40.27%	39.11%	34.41%	31.10%

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>
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%
2017	29,801	N/A	60,030	3.3%

**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>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Instruction										
Regular	390	388	388	392	394	397	398	399	402	402
Special education	47	49	50	53	55	59	63	67	67	70
Support services										
Student & instruction related services	94	94	94	95	99	102	102	104	104	110
General administrative services	12	12	12	12	13	13	13	13	13	14
School administrative services	43	43	43	43	42	42	42	42	42	43
Business administrative services	13	13	13	13	12	12	12	12	12	12
Plant operations and maintenance	55	55	55	56	55	57	57	57	57	59
Pupil transportation	28	28	28	27	27	28	27	28	28	29
<b>Total</b>	<b>682</b>	<b>682</b>	<b>683</b>	<b>691</b>	<b>697</b>	<b>710</b>	<b>714</b>	<b>722</b>	<b>725</b>	<b>739</b>

**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>	Elementary	Middle School	High School	Average Daily Enrollment (ADE) <sup>c</sup>	Average Daily Attendance (ADA) <sup>c</sup>	% Change in Average Daily Enrollment	Student Attendance Percentage
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%
2017	5,923	119,225,890	20,129	5.55%	472	1:13	1:11	1:11	5,913	5,703	-0.22%	96.45%

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

<u>District Building</u>	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<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	55,467	55,467
Capacity (students)	412	412	412	412	412	412	412	412	522	522
Enrollment	416	435	452	432	413	454	440	464	472	447
<b>Riker Hill Elementary</b>										
Square Feet	48,279	48,279	48,279	48,279	48,279	48,279	48,279	48,279	53,440	53,440
Capacity (students)	386	386	386	386	386	386	386	386	414	414
Enrollment	427	428	403	423	417	421	406	400	398	375
<b>Collins Elementary</b>										
Square Feet	48,589	48,589	48,589	48,589	48,589	48,589	48,589	48,589	53,309	53,309
Capacity (students)	389	389	389	389	389	389	389	389	424	424
Enrollment	419	415	413	427	424	432	452	453	481	467
<b>Harrison Elementary</b>										
Square Feet	64,555	64,555	64,555	64,555	64,555	64,555	64,555	64,555	75,151	75,151
Capacity (students)	516	516	516	516	516	516	516	516	656	656
Enrollment	531	536	549	535	528	517	485	487	480	451
<b>Hillside Elementary</b>										
Square Feet	45,168	45,168	45,168	45,168	45,168	45,168	45,168	45,168	51,694	51,694
Capacity (students)	361	361	361	361	361	361	361	361	529	529
Enrollment a	439	440	413	401	398	412	406	412	407	394
<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	412	412	414	428	423	435	450	454	446	428
<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	897	898	929	921	893	921	918	920	973	958
<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	687	687	687	687	687	687	687	687	687
Enrollment	452	451	451	435	477	425	471	476	463	464
<b>High School</b>										
<b>Livingston High School</b>										
Square Feet	213,351	302,127	302,127	302,127	302,127	302,127	302,127	302,127	302,127	302,127
Capacity (students)	1,413	1,736	1,736	1,736	1,736	1,736	1,736	1,736	1,736	1,736
Enrollment	1,657	1,657	1,682	1,744	1,761	1,813	1,847	1,827	1,830	1,892

Number of Schools at June 30, 2017

  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)	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Livingston High School	50	\$ 356,961	\$ 349,361	\$349,774	\$ 356,114	\$ 343,815	\$ 363,700	\$ 338,494	\$ 384,428	\$ 368,067	\$ 377,606
Heritage Middle School	55	242,222	237,066	237,347	241,650	233,302	246,796	229,692	260,860	249,759	247,135
Mt. Pleasant Middle School	60	165,731	162,203	162,396	165,340	159,628	168,860	157,157	178,484	170,888	168,668
Burnet Hill	70	89,240	87,340	87,444	89,029	85,953	90,925	84,623	96,108	92,018	91,852
Collins	80	76,491	74,863	74,952	76,311	73,674	77,936	77,936	82,377	78,871	78,576
Harrison	90	114,738	112,295	112,428	114,466	110,511	116,903	108,801	123,566	118,307	117,814
Hillside	100	76,491	74,863	74,952	76,311	73,674	77,936	77,936	82,377	78,871	78,576
Mt. Pleasant	110	76,491	74,863	74,952	76,311	73,674	77,936	77,936	82,377	78,871	78,576
Riker Hill	118	76,491	74,863	74,952	76,311	73,674	77,936	77,936	82,377	78,871	78,576
<b>Total School Facilities</b>		<u>\$ 1,274,856</u>	<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>

Source: District records of required maintenance.

Livingston Board of Education  
Insurance Schedule  
Year ended June 30, 2017  
Unaudited

Type of Coverage	Coverage	Deductible
School Package Policy - General Security Property & Casualty Company:		
Blanket building and contents	\$ 500,000,000	\$ 2,500
Contractors equipment	25,000,000	N/D
Flood/earthquake	10,000,000	N/D
Comprehensive general liability	5,000,000	N/D
Employee benefit liability	5,000,000	10,000
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	N/D
Accounts Receivable	300,000	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, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 30, 2017.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the 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.

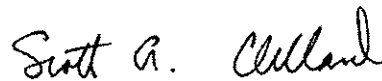
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

November 30, 2017  
Livingston, New Jersey

Report on Compliance For Each Major Federal and State Program and Report  
on Internal Control Over Compliance Required by the Uniform Guidance and New  
Jersey OMB Circular 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, 2017. 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 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*. 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 unmodified opinion on compliance for major federal and state programs. However, our audit does not provide a legal determination of 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, 2017.

### **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.

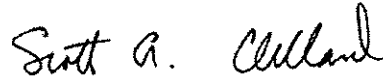
*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a 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 purpose.



Scott A. Clelland  
Licensed Public School Accountant  
No. 1049



WISS & COMPANY, LLP

November 30, 2017  
Livingston, New Jersey

Livingston Board of Education  
Schedule of Expenditures of Federal Awards

Year ended June 30, 2017

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Federal FAIN Number	Grant Period	Award Amount	June 30, 2016		Cash Received	Budgetary Expenditures	June 30, 2017	
					(Accounts Receivable)	Due to Grantor			(Accounts Receivable)	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	1705NJ5MAP	7/1/16-6/30/17	\$ 7,123			\$ 7,123	\$ (7,123)		
Medicaid Assistance - SEMI	93.778	1605NJ5MAP	7/1/15-6/30/16	25,162	(25,162)		25,162			
Total General Fund							32,285	(7,123)		
<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	(50,103)		50,103			
Title I, Part A	84.010A	S010A160030	7/1/16-6/30/17	133,707			81,082	(133,707)		(52,625)
Title II-A	84.367A	S367A150029	7/1/15-6/30/16	69,846	(7,050)		7,050			
Title II-A	84.367A	S367A160029	7/1/16-6/30/17	64,538			31,824	(64,538)		(32,714)
Language Instruction for English Learners and Immigrant Students:										
Title III	84.365A	S365A150030	7/1/15-6/30/16	22,386	(6,000)		6,000			
Title III	84.365A	S365A160030	7/1/16-6/30/17	21,505			20,505	(21,505)		(1,000)
Title III Immigrant	84.365A	S365A160030	7/1/16-6/30/17	11,880			11,880	(11,880)		
Subtotal Language Instruction for English Learners and Immigrant Students					(6,000)		38,385	(33,385)		(1,000)
Special Education Grant Cluster:										
IDEA Part B, Basic	84.027A	S027A150100	7/1/16-6/30/17	1,315,447	(142,296)		144,793	(2,497)		
IDEA Part B, Basic	84.027A	H027A160100	7/1/16-6/30/17	1,277,029			1,103,480	(1,277,029)		(173,549)
IDEA Part B, Preschool	84.173A	S173A150114	7/1/15-6/30/16	53,537	(8,568)		8,568			
IDEA Part B, Preschool	84.173A	H173A160114	7/1/16-6/30/17	54,448			47,432	(54,448)		(7,016)
Subtotal of Special Education Grant Cluster					(150,864)		1,304,273	(1,333,974)		(180,565)
<b>U.S. Department of Homeland Security</b>										
<b>Passed Through the State Department of Education:</b>										
Federal Emergency Management Agency (FEMA)	97.036	N/A	7/1/16-6/30/17	23,049			23,049	(23,049)		
Total Special Revenue Fund					(214,017)		1,535,766	(1,588,653)		(266,904)
Total Federal Awards					(239,179)	\$ -	\$ 1,568,051	\$ (1,595,776)	\$ (266,904)	\$ -

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, 2017

#### **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 statements or schedules (RSI) are presented for the general fund and special revenue fund to demonstrate finance-related legal compliance in which certain revenue is permitted by law or grant agreement to be recognized in the fiscal 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, 2017

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

The general fund is presented in the accompanying schedules on the modified accrual basis of accounting with the exception of the revenue recognition of the last two state aid payments in the current year, which is mandated pursuant to N.J.S.A. 18A:22-44.2. 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 payments 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 \$94,731 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:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 7,123	\$ 16,981,447	\$ 16,988,570
Special Revenue Fund	1,588,653	809,398	2,398,051
Capital Projects Fund		1,034,268	1,034,268
Debt Service Fund		823,251	823,251
Total financial award revenues	<u>\$ 1,595,776</u>	<u>\$ 19,648,364</u>	<u>\$ 21,244,140</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, 2017

**5. Indirect Costs**

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

**6. 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, 2017.

The post retirement pension and medical benefits received on-behalf of the District for the year ended June 30, 2017 amounted to \$9,704,108. Since on-behalf post retirement pension, disability insurance 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, 2017

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

**Financial Statements**

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:

Unmodified

Internal control over financial reporting:

Material weakness(es) identified? \_\_\_\_\_ Yes   X   No

Significant deficiency(ies) identified? \_\_\_\_\_ Yes   X   None Reported

Noncompliance material to the basic financial statements noted? \_\_\_\_\_ Yes   X   No

**Federal Awards**

Internal control over major federal programs:

Material weakness(es) identified? \_\_\_\_\_ Yes   X   No

Significant deficiency(ies) 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	H027A160100 / H173A160114	IDEA Part B, Basic and Preschool (Special Education 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, 2017

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

**State Awards**

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

Auditee qualified as low-risk auditee?   X   Yes          No

Type of auditors’ report issued on compliance for major state programs: Unmodified

Internal control over major state programs:

Material weakness(es) identified?          Yes   X   No

Significant deficiency(ies) identified?          Yes   X   None Reported

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

Identification of major state programs:

GMIS/Program Number	Name of State Program or Cluster
495-034-5120-089	Special Education Aid
495-034-5120-084	Security Aid
495-034-5120-097	Per Pupil Growth Aid
495-034-5120-098	PARCC Readiness Aid
495-034-5120-101	Professional Learning Community Aid
2370-100-14-1008 / 2730-060-14-1003	New Jersey Schools Development Authority Grants
2370-090-14-1007 / 2370-080-14-1006	
2370-070-14-1005 / 2730-060-14-1004	
2370-050-14-1001	



Livingston Board of Education  
Schedule of Findings and Questioned Costs  
Year ended June 30, 2017

**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, 2017

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

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major federal and state programs, as required by 2 CFR 200 Section 516(a) and New Jersey Treasury Circular OMB 15-08, respectively.

**Federal Award Programs**

No compliance or internal control findings noted that are required to be reported in accordance with 2 CFR 200 Section 516(a).

**State Award Programs**

No compliance or internal control findings noted that are required to be reported in accordance with New Jersey Treasury Circular OMB 15-08.

Livingston Board of Education  
Summary Schedule of Prior Year Audit Findings  
Year ended June 30, 2017

No prior year findings were noted.