

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, 2018*

Livingston Board of Education

Livingston Township, New Jersey

**Comprehensive Annual Financial Report
For the Year Ended June 30, 2018**

**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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February 14, 2019

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 (CAFR) of the Livingston Board of Education (the "District") as of and for the year ended June 30, 2018, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the 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, 2018 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 major programs are included in the single audit section of this report.

1. Reporting Entity and Its Services

The Livingston Board of Education is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board (GASB). All funds and the government-wide financial statements of the District are included in this report. The Livingston Board of Education and all its schools constitute the District's reporting entity. The District provides a full range of educational services appropriate to grade levels K through 12 as well as a Pre-K program for students with disabilities. These services are provided for regular, vocational and special education youngsters. The District completed the 2017-2018 fiscal year with an average daily enrollment of 5,971 students, which is an increase of 58 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

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2017-18	5,971	0.98%
2016-17	5,913	(0.22)%
2015-16	5,926	0.78%
2014-15	5,880	0.15%
2013-14	5,871	1.19%

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.

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, Science, Social Studies, Visual/Performing Arts, Comprehensive Health/Physical Education, Technology, World Languages, 21st Century Life and Careers, and Social-Emotional Learning. 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 local, state, and national conferences, in-service workshops, book studies, school-based or department meetings and Professional Learning Communities (PLCs). District and building administrators and content area 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 and Chromebooks 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 (reading, writing, word study, vocabulary, phonics, spelling, grammar, usage, and mechanics) was developed to ensure that all aspects of ELA receive the appropriate emphasis. Curricula in grades K through 12 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. The Predictive Assessment for Readiness (PAR) is the dyslexia screening tool that is used in the district. Link-It benchmark assessments will be used to track growth in the areas of reading and writing in grades 1-10.

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 21st 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

The Livingston Public Schools continue to support teachers and staff members through a variety of staff development opportunities including local, state, and national workshops and conferences. Administrators and content area supervisors provide professional development opportunities throughout the school year and voluntarily over the summer months. These take place in the form of PD days, in-service days, after-school courses, book clubs, graduate level coursework, department meetings/days, professional learning communities/teams (PLCs and PLTs), and faculty meetings. We also have a robust LPS “University” learning catalog; and we partner with local universities to take advantage of the professional development opportunities offered through institutions such as Fairleigh Dickinson University, Montclair State University, Kean University, and Rutgers University.

Our main themes for professional development for the 2018-2019 school year include the following:

- Assessment and Student Learning
- Instructional Strategies
- Classroom Management
- Social and Emotional Learning
- Best Practices in ELA Instruction
- STEAM (Science, Technology, Engineering, Arts, and Mathematics)
- Implementation of Technology as an Instructional Tool (SAMR Model)

District administration continues to use multiple measures and data from a variety of sources to identify student and staff needs. Some of the measures include survey data, LPS Professional Development Committee feedback, information gleaned from New Teacher Orientation and our Mentoring Program, teacher observation data, and local benchmark and state testing data focusing on student growth and achievement.

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 legal level of budgetary control is established at the line item level within each 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, 2018.

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 government-wide financial statements and 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,

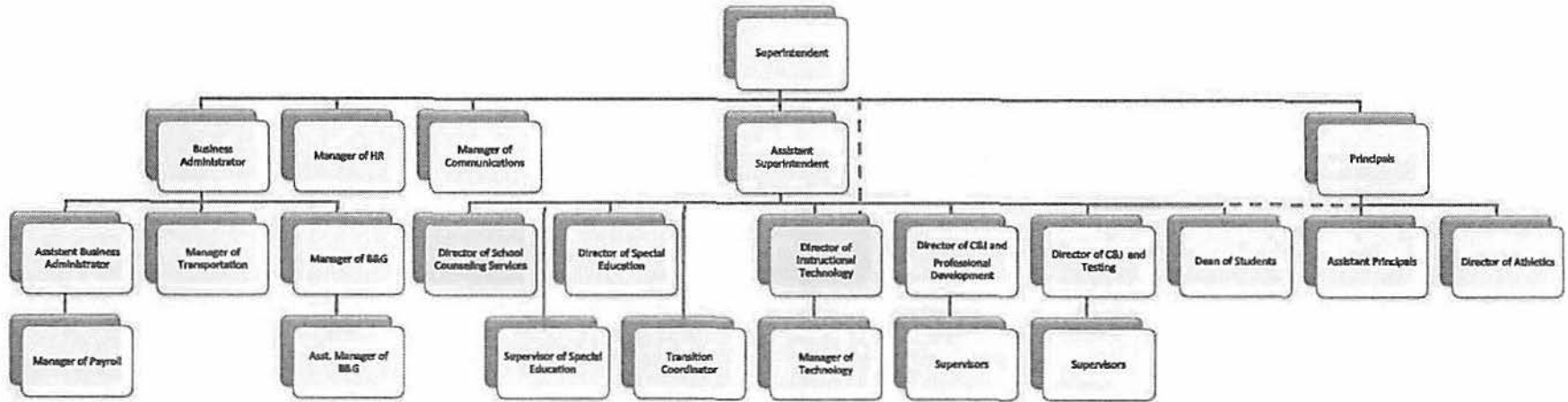


James O'Neill
Interim Superintendent of Schools



Steven Robinson
School Business Administrator/Board Secretary

Livingston Board of Education
 Organizational Chart
 June 30, 2018



Livingston Board of Education

Roster of Officials

As of June 30, 2018

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Mrs. Pamela Chirls, President	2018
Mr. Charles August, Vice President	2020
Mrs. Ronnie Ferber Konner	2018
Ms. Samantha Messer	2019
Mr. George Shen	2019

Other Officials

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

Livingston Board of Education
Independent Auditor and Advisors

June 30, 2018

Architect

Gianforcaro Architects
555 East Main Street
Chester, NJ 07930

Independent Auditor

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

Attorney

Sciarrillo, Cornell, Merlino, McKeever & Osborne
328 St. Paul Street
Westfield, NJ 07090

Official Depositories

Regal Bank

570 West Mt. Pleasant Avenue
Livingston, NJ 07039

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, 2018, 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, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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 pension contributions-PERS, schedule of the State's proportionate share of the net pension liability associated with the District-TPAF, schedule of the State's proportionate share of the net OPEB liability associated with the District and Changes in the Total OPEB Liability and Related Ratios – PERS and 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 February 14, 2019 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

February 14, 2019
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, 2018

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, 2018. 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 (GASB). 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 2018 are as follows:

- Total net position is \$37,199,971. 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 \$153,298,064 of revenue or 97 percent of all revenues. Program specific revenues in the form of charges for services, operating and capital contributions accounted for \$5,335,454 or 3 percent of total revenues of \$158,632,518 (Schedule A-2).
- The District had \$137,729,812 in governmental funds expenditures (Schedule B-2). Of that amount, the General Fund expenditures totaled \$126,987,573 including \$15,730,398 in State on-behalf TPAF pension and social security contributions. Grant-related expenditures totaled \$2,469,246 in the special revenue fund. Business-type activities expenses were \$2,075,522 (Schedule B-5).
- During the 2018 fiscal year, the District implemented GASB No. 75 resulting in the recording of revenue and expense in the amount of \$7,300,665 relating to post-employment benefits paid by the State on behalf of the district.

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.

	2018			2017		
	Governmental Activities	Business- type Activities	Total	Governmental Activities	Business- type Activities	Total
Assets:						
Current and other assets	\$ 12,486,471	\$ 397,635	\$ 12,884,106	\$ 13,412,215	\$ 356,890	\$ 13,769,105
Capital assets, net	155,756,177	71,264	155,827,441	156,271,132	64,260	156,335,392
Total assets	168,242,648	468,899	168,711,547	169,683,347	421,150	170,104,497
Deferred outflows of resources	13,704,481		13,704,481	16,292,107		16,292,107
Liabilities:						
Current liabilities	10,840,756	334,621	11,175,367	10,384,385	330,938	10,715,323
Long-term liabilities	127,089,481		127,089,481	139,175,638		139,175,638
Total liabilities	137,930,237	334,621	138,264,838	149,560,023	330,938	149,890,961
Deferred inflow of resources	6,951,199		6,951,199	654,629		654,629
Net position:						
Net investment in capital assets	62,345,455	71,264	62,416,719	58,713,884	64,260	58,778,144
Restricted	7,736,318		7,736,318	8,775,638		8,775,638
Unrestricted (deficit)	(33,016,080)	63,014	(32,953,066)	(31,728,720)	25,952	(31,702,768)
Total net position	\$ 37,065,693	\$ 134,278	\$ 37,199,971	\$ 35,760,802	\$ 90,212	\$ 35,851,014

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 decreased in the current fiscal year due to current depreciation expense exceeding current year capital asset additions. Current and other assets decreased mainly due to the decrease in cash and cash equivalents due to current year fiscal results as well as a \$1.2 million withdrawal from the capital reserve account.

Current liabilities increased mainly due to the timing of invoices received by the District at year-end as well as an increase in the District's PERS obligation due in April 2019.

Long-term liabilities decreased mainly due to the decrease 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 decrease is also due to current year bond principal payments.

Net investment in capital assets increased by approximately \$3.7 million as a result of a decrease in serial bonds, an increase in unamortized deferred interest costs, an increase in capital lease obligations and a decrease in unamortized bond premiums. A portion of the District's net position represents a balance of restricted net position. This balance reflects the net position in the capital projects fund and other restricted accounts in the general fund, including capital reserve, emergency reserve and excess fund balance designated for subsequent years expenditures. The increase primarily resulted from an increase in the District's net investment in capital assets.

The following table presents changes in net position for the fiscal years ended June 30, 2018 and 2017.

Table 2
Changes in Net Position
Year ended June 30,

	2018			2017		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Revenues:						
Program revenues:						
Charges for services	\$ 732,271	\$ 2,113,314	\$ 2,845,585	\$ 730,894	\$ 2,102,683	\$ 2,833,577
Operating grants and contributions	2,469,246		2,469,246	2,428,516		2,428,516
Capital grants and contributions	20,623		20,623	1,034,268		1,034,268
Total program revenues	<u>3,222,140</u>	<u>2,113,314</u>	<u>5,335,454</u>	<u>4,193,678</u>	<u>2,102,683</u>	<u>6,296,361</u>
General revenues:						
Property taxes	109,855,712		109,855,712	106,771,328		106,771,328
Federal aid not restricted to specific purposes	9,157		9,157	7,123		7,123
State aid not restricted to specific purposes	42,517,441		42,517,441	39,393,728		39,393,728
Investment earnings	221,777	6,274	228,051	150,948	2,397	89,994
Rental income	497,508		497,508	504,525		504,525
Miscellaneous	196,469		196,469	115,767		115,767
Total general revenues	<u>153,298,064</u>	<u>6,274</u>	<u>153,304,338</u>	<u>146,943,419</u>	<u>2,397</u>	<u>146,945,816</u>
Expenses:						
Instructional services	100,285,889		100,285,889	97,533,309		97,533,309
Support services	51,548,759	2,075,522	53,624,281	50,311,807	2,139,565	52,451,372
Charter schools	69,317		69,317	35,671		35,671
Interest on long-term debt	3,311,348		3,311,348	3,387,409		3,387,409
Total expenses	<u>155,215,313</u>	<u>2,075,522</u>	<u>157,290,835</u>	<u>151,268,196</u>	<u>2,139,565</u>	<u>153,407,761</u>
Change in net position	1,304,891	44,066	1,348,957	(131,099)	(34,485)	(165,584)
Net position – beginning	35,760,802	90,212	35,851,014	35,891,901	124,697	36,016,598
Net position – ending	<u>\$ 37,065,693</u>	<u>\$ 134,278</u>	<u>\$ 37,199,971</u>	<u>\$ 35,760,802</u>	<u>\$ 90,212</u>	<u>\$ 35,851,014</u>

Property taxes made up 70.2% of revenues for governmental activities for the District for fiscal year 2018. Federal and state unrestricted aid accounted for another 29.8% of revenue.

The total cost of all programs and services was \$157,290,835. Instruction comprised 63.8% 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 decreased due to a decrease in the state revenue related to the New Jersey Schools Development Authority funding expended during the 2018 fiscal year. State aid decreased mainly due to a decrease in the TPAF pension expense adjustment based on the June 30, 2018 audited schedule of employer allocations for the TPAF.

Business-type program expenses decreased from the prior year due to a decrease in supply purchases made in the current year.

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 \$3,812,411, assigned fund balances were \$757,944 and the unassigned fund balance was \$2,764,525 while the total fund balance was \$7,334,880 (B-1). For the year ended June 30, 2018, the District generated excess surplus in the amount of \$788,946.

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 \$63,779 while expenditures decreased by \$2,238,814 mainly due to the decrease in capital outlay expenditures as a result of a capital lease entered into by the District in the prior year. IDEA continues to be the largest grant in the special revenue fund, with expenditures in the current fiscal year of \$1,312,621.

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 \$88,193 in the current fiscal year compared to expenditures of \$2,862,185 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 restricted fund balance was \$4,540,653 as of June 30, 2018.

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 \$130,368 at June 30, 2018.

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, 2018, and the amount and percentage of increases and (decreases) in relation to prior year revenues.

Revenues	Amount	Percent of Total	Increase (Decrease) from 2017	Percent of Increase (Decrease)
Local sources	\$ 111,502,748	82.9%	\$ 3,198,821	3.0%
State sources	21,414,279	15.9	1,765,915	9.1
Federal sources	1,582,278	1.2	(13,498)	(1.0)
Total	\$134,499,305	100.0%	\$ 4,951,238	3.9%

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 as well as an increase in special education categorical aid.

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, 2018, and the amount and percentage of increases in relation to prior year expenditures.

Expenditures	Amount	Percent of Total	Increase from 2017	Percent of Increase
Current expense:				
Instruction	\$59,674,820	43.3%	\$656,675	1.1%
Support services	63,970,391	46.5	3,798,317	6.3
Capital outlay	5,742,291	4.2	2,120,639	60.1
Charter schools	69,317	0.1	33,646	94.3
Debt service	8,184,800	5.9	308,250	3.9
Total	\$137,641,619	100.0%	\$6,917,527	5.4%

The increase in instruction expenditures is mainly due to an increase in learning and/or language disabilities expenditures due to an increased need for such services.

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 \$460,155 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 learning and/or language disabilities in the current year.
- Undistributed expenditures: Instruction – an increase of \$340,290 was necessary due to additional enrollments in private schools for the disabled – within state.
- Student transportation services – an increase of \$355,723 was necessary mainly due to the settlement of a bargaining unit contract that increased salaries for transportation personnel.
- Unallocated benefits – health benefits – a decrease of \$1,118,109 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 2018, the District had \$155,827,441 invested in land, land improvements, building and building improvements, machinery, equipment and vehicles, net of accumulated depreciation.

The following presents a comparison for 2018 and 2017:

	Capital Assets (Net of Depreciation)	
	Year Ended June 30,	
	2018	2017
Land	\$ 3,253,263	\$ 3,253,264
Construction in progress		19,390,501
Land improvements	637,688	695,890
Building and building improvements	145,567,998	128,031,469
Machinery, equipment and vehicles	6,368,492	4,964,208
Total	<u>\$ 155,827,441</u>	<u>\$ 156,335,392</u>

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

Debt Administration and Long-term Liabilities

At June 30, 2018, the District had \$134,409,806 of long-term liabilities. Of this amount, \$5,074,237 relates to compensated absences; \$4,401,341 relates to various capital leases payable; \$84,550,000 of serial bonds for school construction and renovation projects; \$32,316,885 relates to the net pension liability and \$8,067,343 is for the unamortized premium on bonds.

At June 30, 2018, the District's overall remaining limitation of indebtedness was \$215,540,171. 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, 2018.

Livingston Board of Education

Statement of Net Position

June 30, 2018

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Assets			
Cash and cash equivalents	\$ 6,958,803	\$ 407,261	\$ 7,366,064
Investments	61,918		61,918
Internal balances	25,422	(25,422)	-
Accounts receivable	2,954,823		2,954,823
Inventories		15,796	15,796
Restricted assets:			
Cash held with fiscal agent	179,221		179,221
Cash and cash equivalents	2,306,284		2,306,284
Capital assets, non-depreciable	3,253,263		3,253,263
Capital assets, depreciable, net	152,502,914	71,264	152,574,178
Total assets	<u>168,242,648</u>	<u>468,899</u>	<u>168,711,547</u>
Deferred outflows of resources			
Unamortized deferred loss on refunding of debt	2,991,216		2,991,216
Pension deferrals	10,713,265		10,713,265
Total deferred outflows of resources	<u>13,704,481</u>		<u>13,704,481</u>
Liabilities			
Accounts payable	1,774,906	200,614	1,975,520
Accrued interest payable	1,659,984		1,659,984
Intergovernmental payables:			
State	53,635		53,635
Unearned revenue	31,906	134,007	165,913
Net pension liability	32,316,885		32,316,885
Current portion of long-term obligations	7,320,325		7,320,325
Noncurrent portion of long-term obligations	94,772,596		94,772,596
Total liabilities	<u>137,930,237</u>	<u>334,621</u>	<u>138,264,858</u>
Deferred inflow of resources			
Pension deferrals	6,951,199		6,951,199
Net position			
Net investment in capital assets	62,345,455	71,264	62,416,719
Restricted for:			
Capital projects	3,923,907		3,923,907
Capital reserve	1,982,949		1,982,949
Emergency reserve	323,335		323,335
Excess fund balance	1,506,127		1,506,127
Unrestricted (deficit)	(33,016,080)	63,014	(32,953,066)
Total net position	<u>\$ 37,065,693</u>	<u>\$ 134,278</u>	<u>\$ 37,199,971</u>

Livingston Board of Education

Statement of Activities

Year ended June 30, 2018

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	
Governmental activities							
Instruction	\$ 100,285,889	\$ 354,819	\$ 2,040,789		\$ (97,890,281)		\$ (97,890,281)
Support services:							
Attendance/social work	114,992				(114,992)		(114,992)
Health services	1,751,864				(1,751,864)		(1,751,864)
Other support services	14,328,859		428,457		(13,900,402)		(13,900,402)
Improvement of instruction	3,638,064				(3,638,064)		(3,638,064)
Other support: instructional staff	742,174				(742,174)		(742,174)
School library	2,124,858				(2,124,858)		(2,124,858)
General administration	1,532,530				(1,532,530)		(1,532,530)
School administration	8,002,939				(8,002,939)		(8,002,939)
Required maintenance of plant services	2,103,451				(2,103,451)		(2,103,451)
Operation of plant	8,004,142			\$ 20,623	(7,983,519)		(7,983,519)
Student transportation	4,513,329	377,452			(4,135,877)		(4,135,877)
Central services	2,422,989				(2,422,989)		(2,422,989)
Administrative information technology	2,268,568				(2,268,568)		(2,268,568)
Charter Schools	69,317				(69,317)		(69,317)
Interest and other charges on long-term obligations	3,311,348				(3,311,348)		(3,311,348)
Total governmental activities	155,215,313	732,271	2,469,246	20,623	(151,993,173)		(151,993,173)
Business-type activities							
Food service	2,075,522	2,113,314				\$ 37,792	37,792
Total business-type activities	2,075,522	2,113,314				37,792	37,792
Total primary government	\$ 157,290,835	\$ 2,845,585	\$ 2,469,246	\$ 20,623	(151,993,173)	37,792	(151,955,381)
General revenues:							
Property taxes, levied for general purposes					102,743,234		102,743,234
Property taxes, levied for debt service					7,112,478		7,112,478
Unrestricted federal sources					9,157		9,157
Unrestricted state sources					42,517,441		42,517,441
Investment earnings					221,777	6,274	228,051
Rental income					497,508		497,508
Miscellaneous income					196,469		196,469
Total general revenues					153,298,064	6,274	153,304,338
Change in net position					1,304,891	44,066	1,348,957
Net position—beginning of year					35,760,802	90,212	35,851,014
Net position—end of year					\$ 37,065,693	\$ 134,278	\$ 37,199,971

Livingston Board of Education
Governmental Funds
Balance Sheet
June 30, 2018

	Major Funds				Total Governmental Funds
	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	
Assets					
Cash and cash equivalents	\$ 3,693,429		\$ 3,135,006	\$ 130,368	\$ 6,958,803
Investments	61,918				61,918
Accounts receivable:					
State	1,261,648	\$ 8,936	1,430,976		2,701,560
Federal		165,679			165,679
Interfund	125,348				125,348
Other	87,584				87,584
Restricted assets:					
Cash held with fiscal agents	179,221				179,221
Cash and cash equivalents	2,306,284				2,306,284
Total assets	\$ 7,715,432	\$ 174,615	\$ 4,565,982	\$ 130,368	\$ 12,586,397
Liabilities and fund balances					
Liabilities:					
Accounts payable	\$ 380,552	\$ 14,477			\$ 395,029
Intergovernmental payables:					
State		53,635			53,635
Unearned revenue		31,906			31,906
Interfunds payable		74,597	\$ 25,329		99,926
Total liabilities	380,552	174,615	25,329		580,496
Fund balances:					
Restricted for:					
Capital reserve	1,982,949				1,982,949
Emergency reserve	323,335				323,335
Excess fund balance - prior year designated for subsequent years expenditures	717,181				717,181
Excess fund balance-current year	788,946				788,946
Debt service				\$ 130,368	130,368
Capital projects			4,540,653		4,540,653
Assigned to:					
Designated for subsequent years' expenditures	582,819				582,819
Other purposes	175,125				175,125
Unassigned	2,764,525				2,764,525
Total fund balances	7,334,880	-	4,540,653	130,368	12,005,901
Total liabilities and fund balances	\$ 7,715,432	\$ 174,615	\$ 4,565,982	\$ 130,368	

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 \$214,917,202 and the accumulated depreciation is \$59,161,025.	155,756,177
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.	(1,659,984)
Deferred pension costs in governmental activities are not financial resources and are therefore not reported in the funds.	3,762,066
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.	2,991,216
Net pension liability is not due and payable in the current period and therefore is not reported as a liability in the funds.	(32,316,885)
Accrued pension contributions for the June 30, 2018 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.	(1,379,877)
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.	(102,092,921)
Net position of governmental activities	\$ 37,065,693

Livingston Board of Education
Governmental Funds

Statement of Revenues, Expenditures and Changes in Fund Balances

Year ended June 30, 2018

	Major Funds				Total Governmental Funds
	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	
Revenues					
Local sources:					
Local tax levy	\$ 102,743,234			\$ 7,112,478	\$ 109,855,712
Tuition	114,500				114,500
Tuition from other LEA's	240,319				240,319
Transportation fees from individuals	377,452				377,452
Interest on investments	134,530		\$ 25,329		159,859
Investment income	61,918				61,918
Rental income	497,508				497,508
Miscellaneous	76,295	\$ 24,340		120,174	220,809
Total local sources	104,245,756	24,340	25,329	7,232,652	111,528,077
State sources	19,704,878	871,785	20,623	837,616	21,434,902
Federal sources	9,157	1,573,121			1,582,278
Total revenues	123,959,791	2,469,246	45,952	8,070,268	134,545,257
Expenditures					
Current:					
Instruction	51,096,860	2,040,789			53,137,649
Undistributed-current:					
Instruction	6,537,171				6,537,171
Attendance/social work	63,228				63,228
Health services	970,191				970,191
Support services	8,175,265	428,457			8,603,722
Improvement of instruction	2,016,432				2,016,432
School library	1,244,696				1,244,696
Instructional staff training	446,711				446,711
General administration	1,168,022				1,168,022
School administration	4,586,777				4,586,777
Required maintenance of plant services	1,323,260				1,323,260
Operation of plant	5,569,037				5,569,037
Student transportation	3,294,251				3,294,251
Central services	1,464,175				1,464,175
Administrative information technology	1,467,123				1,467,123
Unallocated benefits	16,022,368				16,022,368
On-behalf TPAF social security and pension contributions	15,730,398				15,730,398
Capital outlay	5,742,291		88,193		5,830,484
Charter Schools	69,317				69,317
Debt service:					
Principal				4,560,000	4,560,000
Interest				3,624,800	3,624,800
Total expenditures	126,987,573	2,469,246	88,193	8,184,800	137,729,812
(Deficiency) of revenues (under) expenditures	(3,027,782)	-	(42,241)	(114,532)	(3,184,555)
Other financing sources (uses):					
Capital leases (non-budgeted)	2,210,000				2,210,000
Transfers in	25,329			87,429	112,758
Transfers out	(87,429)		(25,329)		(112,758)
Total other financing sources (uses)	2,147,900	-	(25,329)	87,429	2,210,000
Net change in fund balances	(879,882)	-	(67,570)	(27,103)	(974,555)
Fund balances, July 1	8,214,762	-	4,608,223	157,471	12,980,456
Fund balances, June 30	\$ 7,334,880	\$ -	\$ 4,540,653	\$ 130,368	\$ 12,005,901

The reconciliation of the fund balances of government funds to the net position of governmental activities in the statement of activities is presented in an 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, 2018

Total net change in fund balances - governmental funds (from B-2)	\$	(974,555)
<p>Amounts reported for governmental activities in the statement of activities (A-2) are different because:</p>		
<p>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 depreciation expense exceeded capital additions in the period.</p>		
Capital additions	\$ 4,363,053	
Depreciation expense	<u>(4,878,008)</u>	(514,955)
<p>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.</p>		
		38,179
<p>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.</p>		
Serial bonds payable	4,560,000	
Obligations under capital lease	<u>1,544,820</u>	6,104,820
<p>The issuance of capital leases proceeds provides current financial resources to governmental funds and has no effect on net position.</p>		
		(2,210,000)
<p>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.</p>		
Amortization of premium on bonds	480,325	
Amortization of deferred loss on refunding of debt	<u>(205,052)</u>	275,273
<p>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.</p>		
Pension expense accrual basis adjustment		(1,325,443)
<p>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).</p>		
		(88,428)
Change in net position of governmental activities (A-2)	\$	<u>1,304,891</u>

Livingston Board of Education
Enterprise Fund

Statement of Net Position

June 30, 2018

	Major Enterprise Fund
	Food Service
Assets	
Current assets:	
Cash and cash equivalents	\$ 407,261
Inventories	15,796
Total current assets	423,057
Non-current assets:	
Capital assets - depreciable:	
Equipment	204,207
Accumulated depreciation	(132,943)
Total capital assets, net	71,264
Total assets	494,321
Liabilities	
Current liabilities:	
Accounts payable	200,614
Interfund payable	25,422
Unearned revenue	134,007
Total current liabilities	360,043
Net position	
Investment in capital assets	71,264
Unrestricted	63,014
Total net position	\$ 134,278

Livingston Board of Education
Enterprise Fund

Statement of Revenues, Expenses and
Changes in Fund Net Position

Year ended June 30, 2018

	Major Enterprise Fund
	Food Service
Operating revenues:	
Local sources:	
Daily food sales	\$ 2,060,445
Special event income	52,869
Total operating revenues	2,113,314
Operating expenses:	
Salaries	688,519
Employee benefits	108,657
Supplies and materials	95,556
Purchased property services	187,482
Other purchased services	19,170
Cost of sales	893,349
Depreciation	7,408
Management fee	55,574
Miscellaneous	19,807
Total operating expenses	2,075,522
Operating income	37,792
Nonoperating revenues:	
Interest	6,274
Total nonoperating revenues	6,274
Change in net position	44,066
Total net position-beginning	90,212
Total net position-ending	\$ 134,278

**Livingston Board of Education
Enterprise Fund**

Statement of Cash Flows

Year ended June 30, 2018

	<u>Major Enterprise Fund Food Service</u>
Cash flows from operating activities	
Receipts from customers	\$ 2,136,095
Payments to employees and for employee benefits	(797,176)
Payments to suppliers	(1,292,591)
Net cash provided by operating activities	<u>46,328</u>
Cash flows from investing activities	
Interest received	6,274
Transfer from other funds	25,422
Net cash provided by investing activities	<u>31,696</u>
Cash flows from capital and related financing activity	
Purchase of capital assets	(14,412)
Net cash (used in) capital and related financing activity	<u>(14,412)</u>
Net increase in cash and cash equivalents	63,612
Cash and cash equivalents, beginning of year	343,649
Cash and cash equivalents, end of year	<u>\$ 407,261</u>
Reconciliation of operating income to net cash provided by operating activities	
Operating income	\$ 37,792
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	7,408
Change in assets and liabilities:	
(Increase) in inventory	(2,555)
(Decrease) in accounts payable	(19,098)
Increase in unearned revenue	22,781
Net cash provided by operating activities	<u>\$ 46,328</u>

Livingston Board of Education
Fiduciary Funds

Statement of Fiduciary Net Position

June 30, 2018

	Unemployment Compensation Trust	Agency Fund
	<u>Trust</u>	<u>Agency Fund</u>
Assets		
Cash and cash equivalents	\$ 343,190	\$ 3,506,045
Interfund receivable		
Total assets	<u>343,190</u>	<u>\$ 3,506,045</u>
Liabilities		
Payroll deductions and withholdings payable		\$ 778,419
Summer payroll escrow payable		2,242,033
Accounts payable	7,138	
Due to student groups		485,593
Total liabilities	<u>7,138</u>	<u>\$ 3,506,045</u>
Net position		
Held in trust for unemployment claims	<u>\$ 336,052</u>	

Livingston Board of Education
Fiduciary Funds

Statement of Changes in Fiduciary Net Position

Year ended June 30, 2018

	<u>Unemployment Compensation Trust</u>
Additions	
Interest income	\$ 3,259
Employee contributions	132,781
Total additions	<u>136,040</u>
 Deductions	
Unemployment claims paid	126,384
Total deductions	<u>126,384</u>
Change in net position	9,656
 Net position-beginning of the year	 326,396
Net position-end of the year	<u><u>\$ 336,052</u></u>

Livingston Board of Education

Notes to the Basic Financial Statements

Year ended June 30, 2018

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, 2018

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, 2018

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 Statement No. 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, 2018

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 internal 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, 2018

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, 2018

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 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, 2018

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 fair value, 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 acquisition value on the date of acquisition.

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, 2018

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, 2018, the amount earned by these employees and not disbursed as of June 30, 2018 was \$2,242,033 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, 2018 amounted to \$205,052 and the remaining balance at June 30, 2018 is \$2,991,216.

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, 2018

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, 2018, a liability existed for compensated absences in the government-wide financial statements in the amount of \$5,074,237.

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, 2018

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, 2018

1. Summary of Significant Accounting Policies (continued)

N. Fund Balances (continued)

Of the \$7,334,880 of fund balance in the General Fund, \$1,982,949 has been restricted in the capital reserve account, \$323,335 has been restricted in an emergency reserve account, \$788,946 has been restricted for excess surplus-current year, \$717,181 has been restricted for prior year excess surplus that has been designated for subsequent year's expenditures, \$175,125 of outstanding encumbrances is assigned to other purposes, \$582,819 of fund balance has been assigned and designated for subsequent year's expenditures and \$2,764,525 is unassigned. There is \$4,540,653 of fund balance in the Capital Projects Fund at June 30, 2018. There is \$130,368 of fund balance at June 30, 2018 in the Debt Service Fund, of which \$10,445 is being utilized in the 2018-19 budget.

O. Net Position

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

P. Management Estimates

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

Q. On-Behalf Payments

Revenues and expenditures of the general fund include payments made by the State of New Jersey social security and post-retirement pension and medical contributions for certified teachers and other members of the New Jersey Teachers Pension and Annuity Fund. Additionally, revenues and expenses related to on behalf pension contributions in the government-wide financial statements have been increased by \$14,674,282 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, 2018

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, 2018 was \$1,506,127. Of this amount, \$717,181 has been appropriated in the 2018-19 budget and the remaining \$788,946 will be appropriated in the 2019-20 budget.

S. GASB Pronouncements – Implemented in the 2018 fiscal year

GASBs Pronouncements Implemented in the 2018 Fiscal Year

In June 2015, GASB issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. This Statement replaces the requirements of Statement 45 and requires governments to report a liability on the face of the financial statements for the OPEB that they provide. Statement No. 75 requires governments in all types of OPEB plans to present more extensive note disclosures and required supplementary information (RSI) about their OPEB liabilities. The requirements of this Statement are effective for financial statements for reporting periods beginning after June 15, 2017. The District has adopted GASB Statement No. 75 during the year ended June 30, 2018, which resulted in the recording of full accrual revenues and expenses and additional disclosures in the notes to the basic financial statements.

In March, 2017, GASB issued Statement No. 85, *Omnibus 2017*. This Statement establishes accounting and financial reporting requirements for blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits). The requirements of this Statement are effective for periods beginning after June 15, 2017. The District has adopted GASB Statement No. 85 during the year ended June 30, 2018, which did not have a significant impact on the financial statements.

Recently Issued and Adopted Accounting Principles

The GASB issued Statement No. 84, *Fiduciary Activities* in January 2017. This Statement establishes standards of accounting and financial reporting for fiduciary activities. The requirements of this Statement are effective for periods beginning after December 15, 2018. Management has not determined the impact of the statement on the financial statements.

The GASB issued Statement No. 87, *Leases* in June 2017. This Statement establishes standards of accounting and financial reporting for leases by lessees and lessors. The requirements of this

Livingston Board of Education

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2018

1. Summary of Significant Accounting Policies (continued)

S. GASB Pronouncements – Implemented in the 2018 fiscal year (continued)

Statement are effective for periods beginning after December 15, 2019. Management has not determined the impact of the statement on the financial statements.

T. Subsequent Events

Management has reviewed and evaluated all events and transactions that occurred from June 30, 2018 through February 14, 2019, the date that the financial statements were available for issuance, 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 \$102,092,921 difference are as follows:

Bonds payable	\$ 84,550,000
Premium on bonds	8,067,343
Capital leases payable	4,401,341
Compensated absences	<u>5,074,237</u>
Net adjustment to reduce fund balance - total governmental funds to arrive at net position - governmental activities	<u>\$ 102,092,921</u>

Livingston Board of Education

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2018

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 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, 2018

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, 2018, the carrying amount of the District's deposits was \$13,375,260 and the bank balance was \$15,718,868 not including funds deposited in NJCMF and with fiscal agents. Of the bank balance, \$500,000 was secured by federal depository insurance. The New Jersey Governmental Unit Deposit Protection Act (GUDPA) covered the bank balance of \$12,131,851. \$3,087,017 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, 2018

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, 2018, the District's investment balances of \$61,918 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, 2018:

- Solar Renewable Energy Credits in the amount of \$61,918 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, 2018

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 \$146,323, 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 debt instruments in the NJCMF are rated by three national rating agencies.

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, 2018, 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, 2018

4. Capital Assets

The following schedule is a summarization of the governmental activities changes in capital assets for the year ended June 30, 2018:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Transfers</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets, not being depreciated:				
Construction in progress	\$ 19,390,501	\$ 88,194	\$ (19,478,695)	\$
Land	3,253,263			3,253,263
Total capital assets, not being depreciated	22,643,764	88,194	(19,478,695)	3,253,263
Capital assets, being depreciated:				
Land improvements	2,891,343			2,891,343
Buildings and building improvements	169,467,010	2,008,001	19,478,695	190,953,706
Machinery, equipment and vehicles	15,552,032	2,266,858		17,818,890
Total capital assets being depreciated	187,910,385	4,274,859	19,478,695	211,663,939
Less accumulated depreciation for:				
Land improvements	(2,195,453)	(58,202)		(2,253,655)
Buildings and building improvements	(41,435,540)	(3,950,168)		(45,385,708)
Machinery, equipment and vehicles	(10,652,024)	(869,638)		(11,521,662)
Total accumulated depreciation	(54,283,017)	(4,878,008)	-	(59,161,025)
Total capital assets, being depreciated, net	133,627,367	(603,149)	19,478,695	152,502,914
Governmental activities capital assets, net	\$ 156,271,132	\$ (514,955)	\$ -	\$ 155,756,177

Livingston Board of Education

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2018

4. Capital Assets (continued)

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

Current:	
Instruction	\$ 2,820,753
Undistributed – current:	
Instruction	347,018
Attendance/social work	3,356
Health services	51,502
Support services	456,719
Improvement of instruction	107,040
Other support – instruction staff	23,713
School library	66,073
General administration	62,003
School administration	243,484
Required maintenance of plant services	70,244
Operation of plant	295,626
Student transportation	174,872
Central services	77,724
Administrative information technology	77,881
Total depreciation expense – governmental activities	\$ 4,878,008

The following is a summary of business-type activity changes in capital assets for the year ended June 30, 2018.

	Beginning Balance	Increases	Ending Balance
Business-type activity:			
Capital assets, being depreciated:			
Equipment	\$ 189,795	\$14,412	\$204,207
Less accumulated depreciation for:			
Equipment	(125,535)	(7,408)	(132,943)
Business-type activity capital assets, net	\$ 64,260	\$ 7,004	\$ 71,264

Livingston Board of Education

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2018

5. Long-Term Liabilities

During the year ended June 30, 2018, the following changes occurred in long-term liabilities:

	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Governmental activities:					
Compensated absences payable	\$ 4,985,809	\$ 430,303	\$ 341,875	\$ 5,074,237	\$ 327,711
Premium on bonds	8,547,668		480,325	8,067,343	480,325
Serial bonds payable	89,110,000		4,560,000	84,550,000	4,635,000
Obligations under capital leases	3,736,161	2,210,000	1,544,820	4,401,341	1,877,289
Subtotal	106,379,638	2,640,303	6,927,020	102,092,921	7,320,325
Net pension liability	39,764,372		7,447,487	32,316,885	
Governmental activities long-term liabilities	\$ 146,144,010	\$ 2,640,303	\$ 14,374,507	\$ 134,409,806	\$ 7,320,325

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.

Livingston Board of Education

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2018

5. Long-Term Liabilities (continued)

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

	Principal	Interest	Total
Year ending June 30:			
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	5,460,000	2,731,675	8,191,675
2024-2028	24,615,000	10,305,562	34,920,562
2029-2033	16,110,000	5,631,138	21,741,138
2034-2038	18,475,000	1,568,200	20,043,200
	\$ 84,550,000	\$ 33,169,300	\$ 117,719,300

At June 30, 2018, there are bonds and notes authorized but not issued in the amount of \$6,410,849.

Bonds payable at June 30, 2018 are comprised of the following issues:

\$43,521,000, 2007 school bonds payment in the amount of \$1,250,000 was made 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 of 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 2.125% to 2.5%.

\$8,500,000, 2013 school bonds are due in annual installments ranging from \$525,000 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 \$1,345,000 to \$3,945,000 through July 2037 at interest rates ranging from 4.0% to 5.0%.

Livingston Board of Education

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2018

5. Long-Term Liabilities (continued)

Capital Leases Payable

The District has remaining capital leases totaling \$4,401,341 with interest rates ranging from 1.22% to 1.61%. The terms of the leases are from three to five 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, 2018.

	<u>Amount</u>
Fiscal year:	
2019	\$ 1,939,373
2020	1,595,940
2021	652,508
2022	168,109
2023	<u>168,109</u>
Total minimum lease payments	4,524,039
Less: amount representing interest	<u>(122,698)</u>
Present value of net minimum lease payments	<u>\$ 4,401,341</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, 2018 are as follows:

Machinery, equipment and vehicles	\$ 11,061,037
Less accumulated depreciation	<u>(7,028,403)</u>
Total	<u>\$ 4,032,635</u>

Livingston Board of Education

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2018

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 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 1/55th 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 1/60th 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 1/55th of the average annual compensation for the

Livingston Board of Education

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2018

6. Pension Plans (continued)

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 1/60th 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.

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, 2018, the State of New Jersey contributed \$11,994,131 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 \$3,736,267 during the year ended June 30, 2018 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, 2018, 2017 and 2016 were \$1,286,091, \$1,192,759 and \$1,085,888, respectively, equal to the required contributions for each year.

Livingston Board of Education

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2018

6. Pension Plans (continued)

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.

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, 2018, the District reported a liability of \$32,316,885 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation July 1, 2016, which was rolled forward to June 30, 2017. 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, 2017, the District's proportion was 0.1388277676 percent, which was an increase of 0.0045663790 from its proportion measured as of June 30, 2016.

For the year ended June 30, 2018, the District recognized full accrual pension expense of \$2,611,534 in the government-wide financial statements. At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	\$ 6,510,739	\$ 6,486,869
Difference between expected and actual experience	760,951	
Changes in proportion	1,841,642	
Net difference between projected and actual earnings on pension plan investments	220,056	
Changes in proportion and differences between District contributions and proportionate share of contributions		464,330
District contributions subsequent to the measurement date	1,379,877	
	<u>\$ 10,713,265</u>	<u>\$ 6,951,199</u>

Livingston Board of Education

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2018

6. Pension Plans (continued)

\$1,379,877 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:

Year ended June 30:	
2019	\$ 1,022,899
2020	1,374,767
2021	1,068,609
2022	(520,824)
2023	(563,262)
	<u>\$ 2,382,189</u>

Actuarial Assumptions

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

Inflation rate	2.25%
Salary increase through 2026	1.65 - 4.15%
	based on age
Thereafter	2.65 - 5.15%
	based on age
Investment rate of return	7.00%

The actuarial assumptions used in the July 1, 2017 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.

Livingston Board of Education

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2018

6. Pension Plans (continued)

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

Livingston Board of Education

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2018

6. Pension Plans (continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Absolute return/risk mitigation	5.00%	5.51%
Cash equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment grade credit	10.00%	3.78%
Public high yield	2.50%	6.82%
Global diversified credit	5.00%	7.10%
Credit oriented hedge funds	1.00%	6.60%
Debt related private equity	2.00%	10.63%
Debt related real estate	1.00%	6.61%
Private real estate	2.50%	11.83%
Equity related real estate	6.25%	9.23%
U.S. Equity	30.00%	8.19%
Non-U.S. developed markets equity	11.50%	9.00%
Emerging markets equity	6.50%	11.64%
Buyouts/venture capital	8.25%	13.08%
	<u>100.00%</u>	

Discount rate

The discount rate used to measure the total pension liability was 5.00% as of June 30, 2017. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.58% as of June 30, 2017 based on the Bond Buyer GO 20-Bond Municipal Bond Index which includes tax-exempt general obligation 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 40% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2040. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2040 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Livingston Board of Education

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2018

6. Pension Plans (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 (4.00 percent) or 1-percentage-point higher (6.00 percent) than the current rate:

	At 1% decrease (4.00%)	At current discount rate (5.00%)	At 1% increase (6.00%)
District's proportionate share of the net pension liability	\$ 40,091,289	\$ 32,316,885	\$ 25,839,843

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, 2017 are as follows:

Deferred outflows of resources	\$ 6,424,455,842
Deferred inflows of resources	\$ 5,700,625,981
Net pension liability	\$ 23,278,401,588
District's Proportion	0.1388277676%

Collective pension expense for the Local Group for the measurement period ended June 30, 2017 is \$1,694,305,613.

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, 2017, 2016, 2015, and 2014 is 5.48, 5.57, 5.72, and 6.44 years, respectively.

Livingston Board of Education

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2018

6. Pension Plans (continued)

Teachers Pensions and Annuity Fund (TPAF) – Special Funding Situation

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, 2017 was \$316,927,532. The District's proportionate share was \$0.

The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2016, which was rolled forward to June 30, 2017. The State's proportionate share of the net pension liability associated with the District was based on 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, 2017, the State's proportionate share of the TPAF net pension liability associated with the District was 0.4700542605 percent, which was an increase of 0.0153485027 percent from its proportion measured as of June 30, 2016.

For the year ended June 30, 2018, the District recognized on-behalf pension expense and revenue in the government wide financial statements of \$21,955,135 for contributions incurred by the State.

Livingston Board of Education

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2018

6. Pension Plans (continued)

Actuarial assumptions

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

Inflation rate	2.25%
Salary increases: 2012-2021	Varies based on experience
Thereafter	Varies based on experience
Investment rate of return	7.00%

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, 2016 valuation were based on the results of an actuarial experience study for the period July 1, 2012 to June 30, 2015.

Long-Term Expected Rate of Return

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

Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2017 are summarized in the following table:

Livingston Board of Education

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2018

6. Pension Plans (continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Absolute return/risk mitigation	5.00%	5.51%
Cash equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment grade credit	10.00%	3.78%
Public high yield	2.50%	6.82%
Global diversified credit	5.00%	7.10%
Credit oriented hedge funds	1.00%	6.60%
Debt related private equity	2.00%	10.63%
Debt related real estate	1.00%	6.61%
Private real estate	2.50%	11.83%
Equity related real estate	6.25%	9.23%
U.S. equity	30.00%	8.19%
Non-U.S. developed market equity	11.50%	9.00%
Emerging markets equity	6.50%	11.64%
Buyouts/venture capital	8.25%	13.08%
	<u>100.00%</u>	

Discount Rate

The discount rate used to measure the total pension liability was 4.25% as of June 30, 2017. This single blended discount rate was based on the long-term rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.58% as of June 30, 2017 based on the Bond Buyer GO 20-Bond Municipal Bond Index which includes tax-exempt general obligation 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 40% of the actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2036. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2036, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Livingston Board of Education

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2018

6. Pension Plans (continued)

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, 2017 calculated using the discount rate as disclosed above as well as what the State's proportionate share of the net pension liability associated with the District would be if it were calculated using a discount rate that is 1-percentage-point lower (3.25 percent) or 1-percentage-point higher (5.25 percent) than the current rate:

	At 1% decrease (3.25%)	At current discount rate (4.25%)	At 1% increase (5.25%)
State's proportionate share of the net pension liability associated with the District	\$ 378,482,299	\$ 316,927,532	\$ 266,660,121

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, 2017 are as follows:

Deferred outflows of resources	\$ 14,251,854,934
Deferred inflows of resources	\$ 11,807,238,433
Net pension liability	\$ 67,423,605,859
District's Proportion	0.4700542605%

Collective pension expense-Local Group for the plan for the measurement period ended June 30, 2017 is \$4,682,493,081.

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, 2017, 2016, 2015, and 2014 is 8.3, 8.3, 8.3, and 8.5 years, respectively.

Livingston Board of Education

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2018

7. Post-Retirement Benefits

Plan description and benefits provided

The District contributes to the New Jersey State Health Benefits Program (the "SHBP"), a 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, Chapter 9 of the New Jersey Administrative Code. The State of New Jersey Division of Pension 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.

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, 2018, 2017 and 2016 were \$4,702,548, \$4,405,428 and \$4,334,891 respectively, which equaled the required contributions for each year.

P.L. 1987, c.384 and P.L. 1990, c.6 required Teachers' Pensions and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those state employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired state employees and retired educational employees. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post-retirement medical benefits changed from a pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994. As the employer contributions for local government education employers are legally required to be funded by the State, this constitutes a special funding situation as defined by GASB Statement No. 75 and the State is treated as a non-employer contributing entity.

The State is also responsible for the cost attributable P.L. 1992, c.126, which provides employer paid health benefits to members of PERS and the Alternate Benefit Program (APB) who retired from a board of education or county college with 25 years of service.

The School Employees Health Benefits Program (SEHBP) Act is found in New Jersey Statutes Annotated, Title 52, Article 17.25 et.seq. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code.

Required Supplementary Information
Part II

**Schedules Related to Accounting and Reporting
For Pensions and Other Postemployment Benefits**

Livingston Board of Education

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2018

7. Post-Retirement Benefits (continued)

The State provides OPEB benefits through a defined benefit OPEB plan that is not administered through a trust that meets the criteria in paragraph 4 of GASB Statement No. 75. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

Total OPEB Liability

The net OPEB liability from New Jersey's plan is \$53,639,841,858.

Below represents the changes in the State's portion of the OPEB liability associated with the District for the year ended June 30, 2017:

	<u>Total OPEB Liability</u>
Beginning Total OPEB Liability June 30, 2016	\$ 209,408,366
Changes for the year	
Service cost	8,516,952
Interest	6,149,498
Changes in assumptions or other inputs	(25,317,771)
Member contributions	165,818
Benefit payments	(4,503,173)
Net changes	(14,988,676)
Ending Total OPEB Liability June 30, 2017	\$ <u>194,419,690</u>

Employees covered by benefit terms

The following employees were covered by the benefit terms:

<u>Local Education</u>	<u>June 30, 2017</u>
Active Plan Members	223,747
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	142,331
Inactive Plan Members Entitled to but Not Receiving Benefits	-
Total Plan Members	<u>366,078</u>

Livingston Board of Education

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2018

7. Post-Retirement Benefits (continued)

The State, a nonemployer contributing entity, is the only entity that has a legal obligation to make employer contributions to OPEB for qualified retired PERS and TPAF participants. The District's proportionate share percentage determined under paragraphs 193 and 203 through 205 of GASBS No. 75 is zero percent. Accordingly, the District did not recognize any portion of the collective net OPEB liability on the Statement of Net Position. The State's proportionate share of the net OPEB liability associated with the District as of June 30, 2017 was \$194,419,690. Additional information can be obtained from the State of New Jersey's comprehensive annual financial report.

Actuarial assumptions and other inputs

The total OPEB liability in the June 30, 2018 actuarial valuation (June 30, 2017 measurement date) reported by the State in the State's most recently issued CAFR was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified.

	TPAF	PERS
Inflation rate	2.50%	2.50%
Salary increase through 2026	1.55 – 4.55%	2.15 – 4.15%
	based on years of service	based on age
Thereafter	2.00 – 5.45%	3.15 – 5.15%
	based on years of service	based on age

The actuarial assumptions used in the June 30, 2017 valuation was determined by an actuarial valuation as of June 30, 2016, which was rolled forward to June 30, 2017.

Discount Rate

The discount rate for June 30, 2017 and 2016 was 3.58% and 2.85%, respectively. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

Mortality Rates

Preretirement mortality rates were based on the RP-2014 Headcount-Weighted Employee Male/Female Mortality table for males and females, as appropriate, with adjustments for mortality improvements based on MP-2017 scale. Postretirement mortality rates were based on the RP-2014 Headcount-Weighted Healthy Annuitant Male/Female mortality table with fully generational

Livingston Board of Education

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2018

7. Post-Retirement Benefits (continued)

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

Health Care Trend Assumptions

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

The following represents sensitivity of the State's proportionate share of the net OPEB liability associated with the District to changes in the discount rate and healthcare cost trend rate.

The following presents the State's proportionate share of the net OPEB liability associated with the District as of June 30, 2017 calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

	1% Decrease (2.58%)	At Current Discount Rate (3.58%)	1% Increase (4.58%)
Net OPEB Liability (Allocable to the District and the responsibility of the State)	\$ 230,790,199	\$ 194,419,690	\$ 165,570,257

The following represents the State's proportionate share of the net OPEB liability associated with the District as of June 30, 2017 calculated using a healthcare cost trend rate that is one percentage point lower or one percentage point higher than the current healthcare cost trend rate:

	At a 1% Decrease	Healthcare Cost Trend Rates	At a 1% Increase
Net OPEB Liability (Allocable to the District and the responsibility of the State)	\$ 159,891,400	\$ 194,419,690	\$ 240,272,852

Livingston Board of Education

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2018

7. Post-Retirement Benefits (continued)

OPEB Expense and Deferred Outflows of resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2018, the District recognized on-behalf OPEB expense and revenue in the government-wide financial statements of \$12,003,213 for OPEB expenses incurred by the State. Collective balances of the Education Group at June 30, 2017 are as follows:

Deferred outflows of resources	\$ 99,843,255
Deferred inflows of resources	\$ 6,443,612,287
Collective OPEB expense	\$ 3,348,490,523

District's Proportion	.36%
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Special Funding Situation

The employer contributions for local participating employers are legally required to be funded by the State. Therefore, the District records an expense and corresponding revenue for its respective share of total OPEB expense and revenue attributable to the State of New Jersey.

8. Interfund Receivables and Payables

The total interfund accounts receivable and payable for the District at June 30, 2018 is as follows:

Fund	Interfund Receivable	Interfund Payable
General Fund	\$ 125,348	
Special Revenue Fund		\$ 74,597
Capital Projects Fund		25,329
Enterprise Fund		25,422
	\$ 125,348	\$ 125,348

The interfund between the capital projects fund and the general fund in the amount of \$25,329 represents interest earned in the capital projects fund that has not been turned over at June 30, 2018. 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 special revenue fund and the general fund in the amount of \$74,597

Livingston Board of Education

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2018

8. Interfund Receivables and Payables (continued)

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 enterprise fund and the general fund in the amount of \$25,422 represents an over-transfer from the general fund to the enterprise fund that was made during the year and is due back to the general fund as of June 30, 2018. 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, 2018 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, 2018 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.

Livingston Board of Education

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2018

11. Risk Management

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

Property and Liability Insurance

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

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:

Fiscal Year	Contributions and Interest		Ending Balance
	Earned	Deductions	
2017-18	\$ 136,040	\$ 126,384	\$ 336,052
2016-17	108,503	112,654	326,396
2015-16	166,470	101,569	330,547

Livingston Board of Education

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2018

12. Transfers – Reconciliation

The following represents transfers between funds during the year ended June 30, 2018:

	Transfers In	Transfers Out
General Fund	\$ 25,329	\$ 87,429
Capital Projects Fund		25,329
Debt Service Fund	87,429	
	\$ 112,758	\$ 112,758

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 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, 2017 to June 30, 2018 fiscal year is as follows:

Beginning balance, July 1, 2017	\$ 2,870,136
Interest earnings	12,813
Budgeted withdrawal	(1,200,000)
Deposit per June 2018 resolution	300,000
Ending balance, June 30, 2018	\$ 1,982,949

Livingston Board of Education

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2018

13. Capital Reserve Account (continued)

The June 30, 2018 capital reserve balance does not exceed local support costs identified in the District's Long Range Facility Plan at June 30, 2018. The District has not budgeted any capital reserve funds for use in the District's 2018-19 fiscal year.

14. Restricted Assets

The District has \$2,306,284 of capital reserve and emergency reserve funds that are classified as restricted assets on the statement of net position because they are restricted by the New Jersey Department of Education codified in Administrative Code to be utilized for future capital projects that have been approved in the District's Long-Range Facility Plan and emergencies.

15. Commitments

The District has \$175,125 of contracts encumbered that are reported in the balance sheet of the general fund as assigned to other purposes.

16. GASB 77 Tax Abatements

As defined by the 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.

For the 2017 year, the Township recognized revenue of \$61,430 from the annual service charge in lieu of payment of taxes, while the taxes that would have been paid for this property were \$888,885, resulting in a reduction of taxes collected by the Township of \$827,455. A portion of this would have been allocated to the District.

Livingston Board of Education
 Schedule of the District's Proportionate Share of the Net Pension Liability
 Public Employer's Retirement System
 Required Supplementary Information
 Last Ten Fiscal Years*

	Year Ended June 30, 2018	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
District's proportion of the net pension liability (asset) - Local Group	0.1388277676%	0.1342613486%	0.1263054356%	0.1261425514%	0.1325548871%	Not available	Not available	Not available	Not available	Not available
District's proportionate share of the net pension liability (asset)	\$ 32,316,885	\$ 39,764,372	\$ 28,353,039	\$ 23,617,336	\$ 25,333,873	Not available	Not available	Not available	Not available	Not available
District's covered 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
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	338.15%	425.06%	328.24%	276.07%	292.82%	Not available	Not available	Not available	Not available	Not available
Plan fiduciary net position as a percentage of the total pension liability - Local Group	48.10%	40.14%	47.93%	52.08%	48.72%	Not available	Not available	Not available	Not available	Not available

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

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

Livingston Board of Education
 Schedule of District Contributions
 Public Employer's Retirement System
 Required Supplementary Information
 Last Ten Fiscal Years *

	<u>Year Ended June 30,</u> 2018	<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
Contractually required contribution	\$ 1,379,877	\$ 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
Contributions in relation to the contractually required contribution	(1,379,877)	(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)
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 payroll	\$ 9,927,347	\$ 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
Contributions as a percentage of covered payroll	13.90%	13.72%	12.75%	12.57%	12.16%	11.54%	11.36%	13.32%	10.88%	9.48%

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
 Required Supplementary Information
 Last Ten Fiscal Years*

	Year Ended June 30 2018	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
State's proportion of the net pension liability (asset) associated with the District - Local Group	0.4700542605%	0.4547057578%	0.4577869858%	0.4317288047%	0.4492736174%	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	\$ 316,927,532	\$ 357,700,500	\$ 289,340,924	\$ 230,744,995	\$ 227,060,363	Not available	Not available	Not available	Not available	Not available
Total proportionate share of the net pension liability (asset) associated with the District	<u>\$ 316,927,532</u>	<u>\$ 357,700,500</u>	<u>\$ 289,340,924</u>	<u>\$ 230,744,995</u>	<u>\$ 227,060,363</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Plan fiduciary net position as a percentage of the total pension liability	25.41%	27.96%	28.71%	33.64%	33.76%	Not available	Not available	Not available	Not available	Not available

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

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

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

Livingston Board of Education
Schedule of the State's Proportionate Share of the Net OPEB Liability Associated with the District
and Changes in the Total OPEB Liability and Related Ratios
Public Employees' Retirement System and Teachers' Pension and Annuity Fund
Required Supplementary Information
Last Ten Fiscal Years*

M-1

	<u>Year Ended June 30,</u> <u>2018</u>	<u>Year Ended June 30,</u> <u>2017</u>
State's proportion of the net OPEB liability (asset) associated with the District -	0.36%	0.36%
District's proportionate share of the net OPEB liability (asset)	\$ -	\$ -
State's proportionate share of the net OPEB liability (asset) associated with the District	\$ 194,419,690	\$ 209,408,366
Total proportionate share of the net OPEB liability (asset) associated with the District	<u>\$ 194,419,690</u>	<u>\$ 209,408,366</u>
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%
Total OPEB Liability	<u>2018</u>	<u>2017**</u>
Service cost	8,516,952	
Interest cost	6,149,498	
Changes in assumptions	(25,317,771)	
Member contributions	165,818	
Gross benefit payments	<u>(4,503,173)</u>	
Net change in the total OPEB liability	(14,988,676)	
Total OPEB liability - beginning	<u>209,408,366</u>	
Total OPEB liability - ending	<u>\$ 194,419,690</u>	
Covered-employee payroll	<u>\$ 60,741,598</u>	
Total OPEB liability as a percentage of covered-employee payroll	320.08%	

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

** Information not available

Livingston Board of Education
Notes to Required Supplementary Information
Year ended June 30, 2018

PENSION - PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Benefit Changes

There were none.

Changes of Assumptions

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

PENSION - TEACHERS PENSION AND ANNUITY FUND

Benefit Changes

There were none.

Changes of Assumptions

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

OTHER POST-RETIREMENT BENEFIT PLAN – PUBLIC EMPLOYEES' RETIREMENT SYSTEM AND TEACHERS' PENSION AND ANNUITY FUND

Benefit Changes

There were none.

Changes of Assumptions

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

Required Supplementary Information
Part III

Budgetary Comparison Schedules

Livingston Board of Education
General Fund

Budgetary Comparison Schedule
(Budgetary Basis)

Year ended June 30, 2018

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenues					
Local sources:					
Local tax levy	\$ 102,743,234		\$ 102,743,234	\$ 102,743,234	
Tuition	12,500		12,500	114,500	\$ 102,000
Tuition from other LEA's	100,000		100,000	240,319	140,319
Transportation fees from individuals	300,000		300,000	377,452	77,452
Interest on investments	50,000		50,000	134,530	84,530
Rental income	450,000		450,000	497,508	47,508
Miscellaneous	80,000		80,000	76,295	(3,705)
Total - local sources	103,735,734		103,735,734	104,183,838	448,104
State sources:					
Extraordinary aid	300,000		300,000	1,036,833	736,833
On behalf TPAF pension, disability insurance and medical contribution (non-budgeted)				11,994,131	11,994,131
Reimbursed TPAF social security (non-budgeted)				3,736,267	3,736,267
Additional nonpublic transportation aid				42,650	42,650
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	2,398,755		2,398,755	2,398,755	
Total - state sources	3,223,821		3,223,821	19,733,702	16,509,881
Federal Sources:					
Medicaid Assistance	27,046		27,046	9,157	(17,889)
Total - federal sources	27,046		27,046	9,157	(17,889)
Total revenues	106,986,601		106,986,601	123,926,697	16,940,096
Expenditures					
Current expenditures:					
Instruction - regular programs:					
Salaries of teachers:					
Preschool	42,570		42,570	42,570	
Kindergarten	1,578,299		1,578,299	1,578,299	
Grades 1-5	11,031,777		11,031,777	11,031,776	1
Grades 6-8	8,458,929		8,458,929	8,458,928	1
Grades 9-12	12,836,239		12,836,239	12,836,237	2
Home instruction:					
Salaries of teachers	150,000		150,000	120,124	29,876
Purchased professional-educational services	33,000	\$ 35,000	68,000	66,970	1,030
Undistributed instruction:					
Other salaries for instruction	571,205		571,205	562,935	8,270
Purchased professional-educational services	67,500	5,000	72,500	69,994	2,506
Purchased technical services	2,040		2,040	1,500	540
Other purchased services	337,799	4,040	341,839	334,716	7,123
General supplies	1,327,198	10,599	1,337,797	1,169,499	168,298
Textbooks	234,273	(32,323)	201,950	189,312	12,638
Other objects	16,325	(847)	15,478	11,225	4,253
Total instruction - regular programs	36,687,154	21,469	36,708,623	36,474,085	234,538

Livingston Board of Education
General Fund

Budgetary Comparison Schedule
(Budgetary Basis)

Year ended June 30, 2018

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Expenditures (continued)					
Current expenditures (continued):					
Special education:					
Learning and/or language disabilities:					
Salaries of teachers	\$ 418,168	\$ 48,523	\$ 466,691	\$ 466,691	
Other salaries for instruction	2,806,462	309,237	3,115,699	3,093,592	\$ 22,107
General supplies	5,000		5,000	2,868	2,132
Total learning and/or language disabilities	3,229,630	357,760	3,587,390	3,563,151	24,239
Multiple Disabilities:					
Salaries of Teachers	326,406	(9,545)	316,861	316,861	
Other salaries for instruction	876,885	134,443	1,011,328	1,011,327	1
General supplies	23,000		23,000	22,330	670
Total multiple disabilities	1,226,291	124,898	1,351,189	1,350,518	671
Resource room/center:					
Salaries of teachers	4,919,972	(13,146)	4,906,826	4,906,826	
General supplies	55,500		55,500	49,810	5,690
Total resource room/center	4,975,472	(13,146)	4,962,326	4,956,636	5,690
Preschool disabilities - part time:					
Salaries of teachers	267,519		267,519	267,519	
Other salaries for instruction	141,370		141,370	141,370	
General supplies	24,100		24,100	12,195	11,905
Total preschool disabilities - part time	432,989		432,989	421,084	11,905
Preschool disabilities - full time:					
Salaries of teachers	55,557	43,463	99,020	99,019	1
Other salaries for instruction	104,591	(52,820)	51,771	51,771	
Total preschool disabilities-full time	160,148	(9,357)	150,791	150,790	1
Total special education	10,024,530	460,155	10,484,685	10,442,179	42,506
Bilingual education:					
Salaries of teachers	633,320	19,010	652,330	652,330	
Total bilingual education	633,320	19,010	652,330	652,330	
Basic skills/remedial instruction:					
Salaries of teachers	888,288	33,221	921,509	921,509	
General supplies	7,100		7,100	393	6,707
Total basic skills/remedial instruction	895,388	33,221	928,609	921,902	6,707
Vocational programs - local instruction:					
Salaries of teachers	32,001	4,956	36,957	36,956	1
Other purchased services	4,000		4,000		4,000
General supplies	12,000		12,000	9,710	2,290
Other objects	500		500		500
Total vocational programs - local instruction	48,501	4,956	53,457	46,666	6,791

Livingston Board of Education
General Fund

Budgetary Comparison Schedule
(Budgetary Basis)

Year ended June 30, 2018

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Expenditures (continued)					
Current expenditures (continued):					
School - sponsored cocurricular activities:					
Salaries	\$ 442,800	\$ (18,471)	\$ 424,329	\$ 424,329	
Purchased services	10,265	5,000	15,265	8,612	\$ 6,653
Supplies and materials	27,200	(5,000)	22,200	15,344	6,856
Other objects	13,400		13,400		13,400
Total school - sponsored cocurricular activities	493,665	(18,471)	475,194	448,285	26,909
School - sponsored athletics - instruction:					
Salaries	899,178	(35,353)	863,825	863,824	1
Purchased services	131,695	(11,000)	120,695	118,057	2,638
Supplies and materials	87,990	(10,000)	77,990	71,805	6,185
Total school - sponsored athletics - instruction	1,118,863	(56,353)	1,062,510	1,053,686	8,824
Other instructional programs:					
Purchased services	45,000		45,000	36,000	9,000
Total other instructional programs	45,000		45,000	36,000	9,000
Other supplemental/at-risk programs-instruction:					
Salaries of reading specialists	1,011,078	10,649	1,021,727	1,021,727	
Total other supplemental/at-risk programs-instruction	1,011,078	10,649	1,021,727	1,021,727	
Total instruction	50,957,499	474,636	51,432,135	51,096,860	335,275
Undistributed expenditures:					
Instruction:					
Tuition to other LEAs within the state-special	834,876	5,000	839,876	833,304	6,572
Tuition to private school for the disabled - within state	5,223,929	335,290	5,559,219	5,448,537	110,682
Tuition to priv sch for the disabled & oth LEAs-Spl, O/S St	255,398		255,398	255,330	68
Total undistributed instruction	6,314,203	340,290	6,654,493	6,537,171	117,322
Attendance and social work services:					
Salaries	56,969	6,259	63,228	63,228	
Total attendance and social work services	56,969	6,259	63,228	63,228	
Health services:					
Salaries	981,670	(27,957)	953,713	953,713	
Supplies and materials	26,750	(8,000)	18,750	16,478	2,272
Total health services	1,008,420	(35,957)	972,463	970,191	2,272

Livingston Board of Education
General Fund

Budgetary Comparison Schedule
(Budgetary Basis)

Year ended June 30, 2018

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Expenditures (continued)					
Current expenditures (continued):					
Undistributed expenditures (continued):					
Speech, OT, PT & related services:					
Salaries	\$ 1,122,496	\$ 855	\$ 1,123,351	\$ 1,123,351	
Purchased professional - educational services	346,443	(23,340)	323,103	322,813	\$ 290
Supplies and materials	18,800		18,800	14,429	4,371
Total speech, OT, PT & related services	1,487,739	(22,485)	1,465,254	1,460,593	4,661
Other support services - students - extra services:					
Purchased professional - educational services	879,585	(130,000)	749,585	739,343	10,242
Total other support services - students - extra services	879,585	(130,000)	749,585	739,343	10,242
Guidance:					
Salaries of other professional staff	1,865,794	37,065	1,902,859	1,902,858	1
Salaries of secretarial and clerical assistants	241,329	(9,660)	231,669	231,669	
Other purchased professional - technical services	13,674	(1,800)	11,874	6,809	5,065
Other purchased services	700		700	199	501
Supplies and materials	66,459	(16,000)	50,459	45,731	4,728
Total guidance	2,187,956	9,605	2,197,561	2,187,266	10,295
Child study teams:					
Salaries of other professional staff	3,113,558	231,438	3,344,996	3,344,996	
Salaries of secretarial and clerical assistants	273,750	4,714	278,464	278,464	
Purchased professional - educational services	100,000		100,000	100,000	
Other purchased prof. and tech. services	30,000		30,000	29,105	895
Miscellaneous purchased serv.	8,000	(150)	7,850	7,709	141
Supplies and materials	20,000		20,000	19,818	182
Other objects	8,000		8,000	7,971	29
Total child study teams	3,553,308	236,002	3,789,310	3,788,063	1,247
Improvement of instructional services:					
Salaries of supervisors of instruction	1,629,945	(119,674)	1,510,271	1,510,271	
Salaries of other professional staff	301,132	(70,894)	230,238	230,237	1
Salaries of secretaries and clerical assistants	234,329	3,446	237,775	237,775	
Purchased professional - educational services	25,361		25,361	21,057	4,304
Other purchased services	2,984		2,984		2,984
Supplies and materials	28,825	(10,381)	18,444	15,097	3,347
Other objects	7,300	(5,000)	2,300	1,995	305
Total improvement of instructional services	2,229,876	(202,503)	2,027,373	2,016,432	10,941

Livingston Board of Education
General Fund

Budgetary Comparison Schedule
(Budgetary Basis)

Year ended June 30, 2018

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Expenditures (continued)					
Current expenditures (continued):					
Undistributed expenditures (continued):					
Educational media services/school library:					
Salaries	\$ 1,105,905	\$ (42,583)	\$ 1,063,322	\$ 1,063,321	\$ 1
Other purchased services	8,054	4,424	12,478	12,089	389
Supplies and materials	183,178	(5,200)	177,978	169,286	8,692
Other objects	318		318		318
Total educational media services/school library	1,297,455	(43,359)	1,254,096	1,244,696	9,400
Instructional staff training services:					
Salaries of supervisors of instruction	407,488	(52,542)	354,946	354,946	
Purchased professional - educational services	45,000	(2,000)	43,000	41,894	1,106
Other purchased services	45,489	(3,000)	42,489	26,927	15,562
Supplies and materials	20,000	(4,455)	15,545	13,935	1,610
Other objects	10,425		10,425	9,009	1,416
Total instructional staff training services	528,402	(61,997)	466,405	446,711	19,694
Support services-general administration:					
Salaries	361,121	33,996	395,117	395,117	
Legal services	185,000	4,973	189,973	189,972	1
Audit services	60,000		60,000	59,870	130
Other purchased prof. services	10,000		10,000	9,730	270
Purchased technical services	10,000		10,000	9,604	396
Communications/telephone	300,000	(110,549)	189,451	189,274	177
BOE other purchased services	1,000		1,000		1,000
Miscellaneous purchased services	239,100		239,100	228,344	10,756
General supplies	30,000	(4,973)	25,027	17,558	7,469
BOE In-house training	3,000		3,000		3,000
Miscellaneous expenditures	72,000		72,000	68,553	3,447
Total support services-general administration	1,271,221	(76,553)	1,194,668	1,168,022	26,646
Support services-school administration:					
Salaries of principals/ assistant principals	2,088,406	(11,987)	2,076,419	2,076,419	
Salaries of other professional staff	490,135	130,000	620,135	619,742	393
Salaries of secretarial and clerical assistants	1,394,480	53,348	1,447,828	1,447,828	
Purchased professional and technical services	46,500	(6,472)	40,028	39,752	276
Other purchased services	59,000	(1,000)	58,000	51,990	6,010
Supplies and materials	365,747	(5,444)	360,303	351,046	9,257
Total support services-school administration	4,444,268	158,445	4,602,713	4,586,777	15,936
Required maintenance for school facilities:					
Salaries	882,484	70,000	952,484	952,481	3
Cleaning, repair and maintenance services	246,200		246,200	239,661	6,539
General supplies	133,500		133,500	131,118	2,382
Total required maintenance for school facilities	1,262,184	70,000	1,332,184	1,323,260	8,924

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

Year ended June 30, 2018

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Expenditures (continued)					
Current expenditures (continued):					
Undistributed expenditures (continued):					
Operation and maintenance of plant services-					
Custodial services:					
Salaries	\$ 2,533,795	\$ 29,468	\$ 2,563,263	\$ 2,563,261	\$ 2
Purchased professional and technical services	35,000	(22,000)	13,000	11,893	1,107
Cleaning, repair and maintenance services	100,000		100,000	99,720	280
Rental of land and bldg. other than lease purch. agreements	131,626		131,626	131,625	1
Other purchased property services	70,000	4,000	74,000	70,848	3,152
Insurance	485,000	1,325	486,325	486,325	
General supplies	340,000	177,400	517,400	513,998	3,402
Energy (Natural Gas and Electricity)	1,650,000	(171,800)	1,478,200	1,384,255	93,945
Total custodial services	5,345,421	18,393	5,363,814	5,261,925	101,889
Operation and maintenance of plant services-					
care and upkeep of grounds:					
Salaries	64,149		64,149	63,545	604
Total care and upkeep of grounds	64,149		64,149	63,545	604
Security:					
Salaries	198,471	45,096	243,567	243,567	
Total security	198,471	45,096	243,567	243,567	
Total operation and maintenance of plant services	6,870,225	133,489	7,003,714	6,892,297	111,417
Student transportation services:					
Salaries for pupil transportation:					
Between home and school - regular	843,614	222,221	1,065,835	1,065,835	
Other than bet. home & sch - regular	300,000		300,000	298,053	1,947
Contracted services:					
Other than bet. home & sch - vendors	157,262	31,000	188,262	179,842	8,420
Bet. Home & school -joint agreements	6,000	(6,000)			
Special ed stds - vendors	1,250,000	88,000	1,338,000	1,337,142	858
Aid in lieu of payments	120,000	20,502	140,502	140,000	502
General supplies	270,000		270,000	269,829	171
Other objects	7,000		7,000	3,550	3,450
Total student transportation services	2,953,876	355,723	3,309,599	3,294,251	15,348
Undistributed expenditures - central services:					
Salaries	1,127,881	22,954	1,150,835	1,150,835	
Purchased professional services	134,500	50,472	184,972	184,939	33
Misc purch serv	19,000	4,926	23,926	23,235	691
Supplies and materials	70,000	(206)	69,794	60,319	9,475
Interest for lease purchase agreements	43,621		43,621	43,621	
Miscellaneous expenditures	6,000		6,000	1,226	4,774
Total central services	1,401,002	78,146	1,479,148	1,464,175	14,973
Admin. info. tech.:					
Salaries	903,053	42,030	945,083	945,082	1
Purchased professional services	45,000	(6,700)	38,300	36,898	1,402
Other purchased services	481,604	(8,000)	473,604	467,794	5,810
Supplies and materials	17,350		17,350	17,349	1
Total admin. info. tech.	1,447,007	27,330	1,474,337	1,467,123	7,214

Livingston Board of Education
General Fund

Budgetary Comparison Schedule
(Budgetary Basis)
Year ended June 30, 2018

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Expenditures (continued)					
Current expenditures (continued):					
Undistributed expenditures (continued):					
Unallocated benefits - empl benefits:					
Social security contributions	\$ 1,450,000	\$ 24,885	\$ 1,474,885	\$ 1,474,885	
Other retirement contributions - PERS	1,330,000	(11,957)	1,318,043	1,318,042	\$ 1
Other retirement contributions - Regular		135,532	135,532	135,387	145
Worker's compensation	600,000	(185,839)	414,161	414,161	
Health benefits	13,647,745	(1,118,109)	12,529,636	12,529,389	247
Tuition reimbursement	154,690		154,690	150,504	4,186
Total unallocated benefits	17,182,435	(1,155,488)	16,026,947	16,022,368	4,579
On behalf TPAF pension, disability insurance and medical contribution (non-budgeted)				11,994,131	(11,994,131)
Reimbursed TPAF social security contributions (non-budgeted)				3,736,267	(3,736,267)
Total on-behalf payments				15,730,398	(15,730,398)
Total undistributed expenditures	55,113,947	(383,053)	54,730,894	70,079,105	(15,348,211)
Total expenditures - current	106,071,446	91,583	106,163,029	121,175,965	(15,012,936)
Capital outlay:					
Equipment:					
Regular programs - instruction:					
Grades 1-5	13,785		13,785	12,118	1,667
Grades 9-12	27,670		27,670	27,189	481
Undistributed expenditures:					
Noninstructional services	15,500	(1,826)	13,674	11,806	1,868
Total equipment	56,955	(1,826)	55,129	51,113	4,016
Facilities acquisition and construction services:					
Lease purchase agreements-principal	1,243,246		1,243,246	1,243,246	
Construction services	1,959,010	247,553	2,206,563	2,169,198	37,365
Other objects-assessment of debt service	68,734		68,734	68,734	
Total facilities acquisition and construction services	3,270,990	247,553	3,518,543	3,481,178	37,365
Capital leases (unbudgeted)				2,210,000	(2,210,000)
Total expenditures - capital outlay	3,327,945	245,727	3,573,672	5,742,291	(2,168,619)
Transfer of funds to charter schools	87,210		87,210	69,317	17,893
Total expenditures	109,486,601	337,310	109,823,911	126,987,573	(17,163,662)
(Deficiency) of revenues (under) expenditures	(2,500,000)	(337,310)	(2,837,310)	(3,060,876)	(223,566)
Other financing sources:					
Assets acquired under capital leases (non-budgeted)				2,210,000	2,210,000
Transfers in				25,329	25,329
Total other financing sources				2,235,329	2,235,329
(Deficiency) excess of revenues (under) over expenditures and other financing sources	(2,500,000)	(337,310)	(2,837,310)	(825,547)	2,011,763
Fund balances, July 1	8,356,328		8,356,328	8,356,328	
Fund balances, June 30	\$ 5,856,328	\$ (337,310)	\$ 5,519,018	\$ 7,530,781	\$ 2,011,763

Livingston Board of Education
General Fund

Budgetary Comparison Schedule
(Budgetary Basis)

Year ended June 30, 2018

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Recapitulation of (deficiency) excess of revenues (under) over expenditures and other financing sources					
Budgeted fund balance	\$ (2,500,000)		\$ (2,500,000)	\$ (513,566)	\$ 1,986,434
Capital projects fund transfer to general fund				25,329	25,329
Adjustment for prior year encumbrances		\$ (337,310)	(337,310)	(337,310)	
Total	\$ (2,500,000)	\$ (337,310)	\$ (2,837,310)	\$ (825,547)	\$ 2,011,763
Recapitulation of fund balance:					
Restricted Fund Balance:					
Excess surplus restricted for subsequent years expenditures				\$ 717,181	
Excess surplus - current year				788,946	
Capital reserve				1,982,949	
Emergency reserve				323,335	
Assigned to:					
Designated for subsequent years' expenditures				582,819	
Year end encumbrances				175,125	
Unassigned fund balance				2,960,426	
				<u>7,530,781</u>	
Reconciliation to Governmental Funds Statements (GAAP):					
Last state aid payments not recognized on GAAP basis				(257,819)	
Solar Renewable Energy Credits (SREC) income				61,918	
Fund balance per Governmental Funds (GAAP)				\$ 7,334,880	

Livingston Board of Education
Special Revenue Fund

Budgetary Comparison Schedule
(Budgetary Basis)

Year ended June 30, 2018

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenues:					
State sources	\$ 957,876		\$ 957,876	\$ 904,241	\$ (53,635)
Federal sources	1,559,621	\$ 13,500	1,573,121	1,573,121	
Other sources	24,340		24,340	24,340	
Total revenues	2,541,837	13,500	2,555,337	2,501,702	(53,635)
Expenditures:					
Current expenditures:					
Instruction:					
Salaries	663,448	8,000	671,448	671,448	
Other purchased services	439,097		439,097	439,097	
Supplies and materials	78,040	3,500	81,540	81,343	197
Textbooks	49,739		49,739	49,351	388
Other objects	852,600		852,600	799,550	53,050
Total instruction	2,082,924	11,500	2,094,424	2,040,789	53,635
Support services:					
Benefits	49,296		49,296	49,296	
Purchased professional and educational / technical services	385,277		385,277	385,277	
General supplies	24,340	2,000	26,340	26,340	
Total support services	458,913	2,000	460,913	460,913	-
Total expenditures	2,541,837	13,500	2,555,337	2,501,702	53,635
(Deficiency) of revenues (under) expenditures	-	-	-	-	-
Fund balance, July 1	-	-	-	-	-
Fund balance, June 30	\$ -	\$ -	\$ -	\$ -	\$ -

Livingston Board of Education
Note to Required Supplementary Information

Budget to GAAP Reconciliation

Year ended June 30, 2018

	General Fund	Special Revenue Fund
Sources/inflows of resources		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule (C-1, C-2)	\$ 123,926,697	\$ 2,501,702
Differences - Budgetary to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Current year		(32,456)
State aid payments recognized for GAAP statements in the current year, not previously recognized.	(257,819)	
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).	228,995	
Adjustment to record the value of Solar Renewable Energy credits (SREC) income on the modified accrual basis.	61,918	
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds (B-2)	\$ 123,959,791	\$ 2,469,246
Uses/outflows of resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule (C-1, C-2)	\$ 126,987,573	\$ 2,501,702
Differences - Budgetary to GAAP:		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes:		
Current year		(32,456)
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (B-2)	\$ 126,987,573	\$ 2,469,246

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, 2018

	Nonpublic Aid						Title I A	Title II A	Title III	Title III Immigrant	Title IV
	Text- books	Tech- nology	Security	Nursing	Auxiliary	Handicapped					
Revenues:											
State sources	\$ 49,351	\$ 55,340	\$115,650	\$ 149,574	\$ 50,834	\$ 483,492					
Federal sources							\$ 132,773	\$ 76,044	\$ 18,361	\$ 9,822	\$ 10,000
Local sources											
Total revenues	<u>\$ 49,351</u>	<u>\$ 55,340</u>	<u>\$115,650</u>	<u>\$ 149,574</u>	<u>\$ 50,834</u>	<u>\$ 483,492</u>	<u>\$ 132,773</u>	<u>\$ 76,044</u>	<u>\$ 18,361</u>	<u>\$ 9,822</u>	<u>\$ 10,000</u>
Expenditures:											
Instruction:											
Salaries							\$ 100,112	\$ 59,409		\$ 2,080	
Other purchased services											
Supplies and materials		\$ 55,340							\$ 15,761	242	\$ 6,500
Textbooks	\$ 49,351										
Other objects			\$115,650	\$ 149,574	\$ 50,834	\$ 483,492					
Total instruction	49,351	55,340	115,650	149,574	50,834	483,492	100,112	59,409	15,761	2,322	6,500
Undistributed:											
Support services:											
Benefits							32,661	16,635			
Purchased professional and educational/ technical services									2,600	7,500	3,500
General supplies											
Total support services							32,661	16,635	2,600	7,500	3,500
Total expenditures	<u>49,351</u>	<u>55,340</u>	<u>115,650</u>	<u>149,574</u>	<u>50,834</u>	<u>483,492</u>	<u>132,773</u>	<u>76,044</u>	<u>18,361</u>	<u>9,822</u>	<u>10,000</u>
Net change 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>	<u>\$ -</u>

Livingston Board of Education
Special Revenue Fund

Combining Schedule of Program Revenues and Expenditures –
Budgetary Basis

Year ended June 30, 2018

	IDEA		Impact Aid	LMAC Grant	NJSBAIG Grant	Totals
	Part B Basic	Preschool Current	Current	Current	Current	
Revenues:						
State sources						\$ 904,241
Federal sources	\$ 1,258,429	\$ 54,192	\$ 13,500			1,573,121
Local sources				\$ 11,600	\$ 12,740	24,340
Total revenues	<u>\$ 1,258,429</u>	<u>\$ 54,192</u>	<u>\$ 13,500</u>	<u>\$ 11,600</u>	<u>\$ 12,740</u>	<u>\$ 2,501,702</u>
Expenditures:						
Instruction:						
Salaries	\$ 466,259	\$ 35,588	\$ 8,000			\$ 671,448
Other purchased services	439,097					439,097
Supplies and materials			3,500			81,343
Textbooks						49,351
Other objects						799,550
Total instruction	<u>905,356</u>	<u>35,588</u>	<u>11,500</u>			<u>2,040,789</u>
Undistributed:						
Support services:						
Health benefits						49,296
Purchased professional and educational/ technical services	353,073	18,604				385,277
General supplies			2,000	\$ 11,600	\$ 12,740	26,340
Total support services	<u>353,073</u>	<u>18,604</u>	<u>2,000</u>	<u>11,600</u>	<u>12,740</u>	<u>460,913</u>
Total expenditures	<u>1,258,429</u>	<u>54,192</u>	<u>13,500</u>	<u>11,600</u>	<u>12,740</u>	<u>2,501,702</u>
Net change in fund balance	-	-	-	-	-	-
Fund balance, July 1	-	-	-	-	-	-
Fund balance, June 30	<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, 2018

	Current Year
Revenues and other financing sources	
Interest on investments	\$ 25,329
State Sources-SDA Grant	
Bond Proceeds	
Transfer from Capital Reserve	
Transfer from Capital Outlay	
Total revenues	25,329
Expenditures	
Purchased professional and technical services	28,193
Construction services	60,000
Total expenditures	88,193
Deficiency of revenues under expenditures	(62,864)
Other financing uses:	
Transfers out	(25,329)
Total other financing uses:	(25,329)
Net change in fund balance	(88,193)
Fund Balance, July 1	8,878,234
Fund Balance, June 30	\$ 8,790,041
 Reconciliation of budgetary basis to GAAP basis:	
Fund balance, budgetary basis, June 30, 2018	\$ 8,790,041
Less: Revenue not recognized on a GAAP basis	(4,249,388)
Fund balance, GAAP basis, June 30, 2018	\$ 4,540,653

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, 2018

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources				
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>
Expenditures and other financing uses				
Purchased professional and technical services	10,464,842	\$ 28,193	10,493,035	
Land and improvements				
Construction services	112,964,910	60,000	113,024,910	
Equipment				
Transfers out	68,496		68,496	
Bond issuance costs	218,711		218,711	
Total expenditures and other financing uses	<u>123,716,959</u>	<u>88,193</u>	<u>123,805,152</u>	
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 8,878,234</u>	<u>\$ (88,193)</u>	<u>\$ 8,790,041</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, 2018

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources				
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>
Expenditures and other financing uses				
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>	
Additional project information				
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, 2018

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources				
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	<u>3,872,144</u>	<u>-</u>	<u>3,872,144</u>	<u>\$ 4,182,059</u>
Expenditures and other financing uses				
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	<u>3,613,144</u>	<u>-</u>	<u>3,613,144</u>	
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 259,000</u>	<u>\$ -</u>	<u>\$ 259,000</u>	
Additional project information				
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, 2018

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and other financing sources				
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>
Expenditures and other financing uses				
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>	
Additional project information				
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, 2018

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and other financing sources				
State Sources - SDA Grant	\$ 2,218,910		\$ 2,218,910	\$ 2,218,910
Bond proceeds and transfers	2,928,895		2,928,895	3,328,364
Contribution from private sources				
Transfer from capital reserve				
Transfer from capital outlay				
Total revenues	<u>5,147,805</u>	<u>-</u>	<u>5,147,805</u>	<u>\$ 5,547,274</u>
Expenditures and other financing uses				
Purchased professional and technical services	360,701		360,701	
Land and improvements				
Construction services	4,227,920		4,227,920	
Equipment				
Transfers out				
Bond issuance costs	10,744		10,744	
Total expenditures and other financing uses	<u>4,599,365</u>	<u>-</u>	<u>4,599,365</u>	
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 548,440</u>	<u>\$ -</u>	<u>\$ 548,440</u>	
Additional project information				
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, 2018

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and other financing sources				
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	<u>199,011</u>	<u>-</u>	<u>199,011</u>	<u>\$ 214,453</u>
Expenditures and other financing uses				
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	<u>171,168</u>	<u>-</u>	<u>171,168</u>	
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 27,843</u>	<u>\$ -</u>	<u>\$ 27,843</u>	
Additional project information				
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, 2018

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources				
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>
Expenditures and other financing uses				
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>	
Additional project information				
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, 2018

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and other financing sources				
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	<u>8,734,002</u>	<u>-</u>	<u>8,734,002</u>	<u>\$ 9,460,913</u>
Expenditures and other financing uses				
Purchased professional and technical services	749,641		749,641	
Land and improvements				
Construction services	6,570,435		6,570,435	
Equipment				
Transfers out				
Bond issuance costs	10,844		10,844	
Total expenditures and other financing uses	<u>7,330,920</u>	<u>-</u>	<u>7,330,920</u>	
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 1,403,082</u>	<u>\$ -</u>	<u>\$ 1,403,082</u>	
Additional project information				
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, 2018

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and other financing sources				
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	<u>352,493</u>	<u>-</u>	<u>352,493</u>	<u>\$ 379,846</u>
Expenditures and other financing uses				
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	<u>347,337</u>	<u>-</u>	<u>347,337</u>	
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 5,156</u>	<u>\$ -</u>	<u>\$ 5,156</u>	
Additional project information				
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, 2018

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and other financing sources				
State Sources - SDA Grant	\$ 1,986,748		\$ 1,986,748	\$ 1,986,748
Bond proceeds and transfers	2,593,472		2,593,472	2,951,146
Contribution from private sources				
Transfer from capital reserve				
Transfer from capital outlay				
Total revenues	<u>4,580,220</u>	<u>-</u>	<u>4,580,220</u>	<u>\$ 4,937,894</u>
Expenditures and other financing uses				
Purchased professional and technical services	330,822		330,822	
Land and improvements				
Construction services	3,764,094		3,764,094	
Equipment				
Transfers out				
Bond issuance costs	10,844		10,844	
Total expenditures and other financing uses	<u>4,105,760</u>	<u>-</u>	<u>4,105,760</u>	
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 474,460</u>	<u>\$ -</u>	<u>\$ 474,460</u>	
Additional project information				
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, 2018

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and other financing sources				
State Sources - SDA Grant	\$ 1,529,482		\$ 1,529,482	\$ 1,529,482
Bond proceeds and transfers	2,018,871		2,018,871	2,294,224
Contribution from private sources				
Transfer from capital reserve				
Transfer from capital outlay				
Total revenues	<u>3,548,353</u>	<u>-</u>	<u>3,548,353</u>	<u>\$ 3,823,706</u>
Expenditures and other financing uses				
Purchased professional and technical services	251,987		251,987	
Land and improvements				
Construction services	2,625,449		2,625,449	
Equipment				
Transfers out				
Bond issuance costs	10,744		10,744	
Total expenditures and other financing uses	<u>2,888,180</u>	<u>-</u>	<u>2,888,180</u>	
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 660,173</u>	<u>\$ -</u>	<u>\$ 660,173</u>	
Additional project information				
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, 2018

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and other financing sources				
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	<u>131,067</u>	<u>-</u>	<u>131,067</u>	<u>\$ 141,237</u>
Expenditures and other financing uses				
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	<u>129,349</u>	<u>-</u>	<u>129,349</u>	
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 1,718</u>	<u>\$ -</u>	<u>\$ 1,718</u>	
Additional project information				
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, 2018

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and other financing sources				
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>
Expenditures and other financing uses				
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>	
Additional project information				
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, 2018

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

**Livingston Board of Education
Capital Projects Fund**

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

Mt. Pleasant Middle HVAC

From Inception and for the year ended June 30, 2018

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and other financing sources				
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>
Expenditures and other financing uses				
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>	
Additional project information				
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, 2018

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources				
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>
Expenditures and other financing uses				
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>	
Additional project information				
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, 2018

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources				
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>
Expenditures and other financing uses				
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, 2018

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources				
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>
Expenditures and other financing uses				
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>	
Additional project information				
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, 2018

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

**Livingston Board of Education
Capital Projects Fund**

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

Heritage Middle Solar Panels

From Inception and for the year ended June 30, 2018

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources				
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>
Expenditures and other financing uses				
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>	
Additional project information				
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, 2018

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources				
State Sources - SDA Grant				
Bond Proceeds and transfers	\$ 1,305,054		\$ 1,305,054	\$ 1,305,054
Contribution from Private sources				
Transfer from capital reserve				
Transfer from capital outlay				
Total revenues	<u>1,305,054</u>	<u>-</u>	<u>1,305,054</u>	<u><u>\$ 1,305,054</u></u>
Expenditures and other financing uses				
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>	
Additional project information				
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, 2018

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources				
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>
Expenditures and other financing uses				
Purchased professional and technical services	2,576,453	\$ 23,567	2,600,020	
Land and improvements				
Construction services	13,729,936		13,729,936	
Equipment				
Transfers Out				
Bond issuance costs	53,298		53,298	
Total expenditures and other financing uses	<u>16,359,687</u>	<u>23,567</u>	<u>16,383,254</u>	
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 640,313</u>	<u>\$ (23,567)</u>	<u>\$ 616,746</u>	
Additional project information				
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		100.00%		
Original target completion date		6/30/2016		
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 HVAC

From Inception and for the year ended June 30, 2018

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources				
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>
Expenditures and other financing uses				
Purchased professional and technical services	39,359	\$ 373	39,732	
Land and improvements				
Construction services	228,379		228,379	
Equipment				
Transfers Out				
Bond issuance costs				
Total expenditures and other financing uses	<u>267,738</u>	<u>373</u>	<u>268,111</u>	
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 213,262</u>	<u>\$ (373)</u>	<u>\$ 212,889</u>	
Additional project information				
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	100.00%			
Original target completion date	6/30/2017			
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 HVAC

From Inception and for the year ended June 30, 2018

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources				
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>
Expenditures and other financing uses				
Purchased professional and technical services	45,102	\$ 2,474	47,576	
Land and improvements				
Construction services	1,007,459	40,000	1,047,459	
Equipment				
Transfers Out				
Bond issuance costs				
Total expenditures and other financing uses	<u>1,052,561</u>	<u>42,474</u>	<u>1,095,035</u>	
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 540,689</u>	<u>\$ (42,474)</u>	<u>\$ 498,215</u>	
Additional project information				
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	100.00%			
Original target completion date	6/30/2017			
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 HVAC

From Inception and for the year ended June 30, 2018

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources				
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>
Expenditures and other financing uses				
Purchased professional and technical services	50,758	\$ 485	51,243	
Land and improvements				
Construction services	249,009		249,009	
Equipment				
Transfers Out				
Bond issuance costs				
Total expenditures and other financing uses	<u>299,767</u>	<u>485</u>	<u>300,252</u>	
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 303,233</u>	<u>\$ (485)</u>	<u>\$ 302,748</u>	
Additional project information				
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	100.00%			
Original target completion date	6/30/2017			
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 HVAC

From Inception and for the year ended June 30, 2018

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources				
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>
Expenditures and other financing uses				
Purchased professional and technical services	26,946	\$ 273	27,219	
Land and improvements				
Construction services	254,452	10,000	264,452	
Equipment				
Transfers Out				
Bond issuance costs				
Total expenditures and other financing uses	<u>281,398</u>	<u>10,273</u>	<u>291,671</u>	
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 41,602</u>	<u>\$ (10,273)</u>	<u>\$ 31,329</u>	
Additional project information				
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	100.00%			
Original target completion date	6/30/2017			
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 HVAC

From Inception and for the year ended June 30, 2018

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources				
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>
Expenditures and other financing uses				
Purchased professional and technical services	27,021	\$ 276	27,297	
Land and improvements				
Construction services	269,241	10,000	279,241	
Equipment				
Transfers Out				
Bond issuance costs				
Total expenditures and other financing uses	<u>296,262</u>	<u>10,276</u>	<u>306,538</u>	
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 26,738</u>	<u>\$ (10,276)</u>	<u>\$ 16,462</u>	
Additional project information				
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	100.00%			
Original target completion date	6/30/2017			
Revised target completion date	Complete			

**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, 2018

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources				
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>
Expenditures and other financing uses				
Purchased professional and technical services	95,927	\$ 745	96,672	
Land and improvements				
Construction services	790,458		790,458	
Equipment				
Transfers Out				
Bond issuance costs				
Total expenditures and other financing uses	<u>886,385</u>	<u>745</u>	<u>887,130</u>	
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 104,615</u>	<u>\$ (745)</u>	<u>\$ 103,870</u>	
Additional project information				
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	100.00%			
Original target completion date	6/30/2017			
Revised target completion date	Complete			

**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, 2018

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources				
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>
Expenditures and other financing uses				
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>	
Additional project information				
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	100.00%			
Original target completion date	6/30/2017			
Revised target completion date	Complete			

Livingston Board of Education
Capital Projects Fund

Summary Schedule of Project Expenditures
(Budgetary Basis)

Year ended June 30, 2018

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	48,908,938	\$ 64,626	10,703,853
Additions/renovations at Various Schools	18,200,000	16,359,687	23,567	1,816,746
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>\$ 123,407,239</u>	<u>\$ 88,193</u>	<u>15,200,890</u>
Bonds and notes authorized and not issued				(6,410,849)
			F-1	<u>\$ 8,790,041</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	<u>294,550</u>
	<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	<u>366,000</u>
	<u>\$ 610,000</u>

Fiduciary Funds

Livingston Board of Education
Trust and Agency Funds

Combining Statement of Fiduciary Net Position

June 30, 2018

	<u>Trust</u>	<u>Agency</u>		
	<u>Unemployment Compensation</u>	<u>Student Activity</u>	<u>Payroll</u>	<u>Total Agency</u>
Assets				
Cash and cash equivalents	\$ 343,190	\$ 485,593	\$ 3,020,452	\$ 3,506,045
Total assets	<u>343,190</u>	<u>\$ 485,593</u>	<u>\$ 3,020,452</u>	<u>\$ 3,506,045</u>
Liabilities				
Payroll deductions and withholdings payable			\$ 778,419	\$ 778,419
Summer payroll escrow payable			2,242,033	2,242,033
Accounts payable	7,138			
Due to student groups		\$ 485,593		485,593
Total liabilities	<u>7,138</u>	<u>\$ 485,593</u>	<u>\$ 3,020,452</u>	<u>\$ 3,506,045</u>
Net position				
Held in trust for unemployment claims	336,052			
Total net position	<u>\$ 336,052</u>			

Livingston Board of Education
Student Activity Agency Fund

Schedule of Cash Receipts and Cash Disbursements

Year ended June 30, 2018

	Balance July 1, 2017	Cash Receipts	Cash Disbursements	Balance June 30, 2018
Elementary schools:				
Burnet Hill	\$ 8,123	\$ 25,584	\$ 29,970	\$ 3,737
Riker Hill	6,603	16,512	15,896	7,219
Collins	5,794	36,890	31,640	11,044
Harrison	4,531	28,623	30,791	2,363
Hillside	7,167	20,066	25,277	1,956
Mount Pleasant	8,901	23,694	26,262	6,333
	<u>41,119</u>	<u>151,369</u>	<u>159,836</u>	<u>32,652</u>
Middle schools:				
Heritage	22,893	121,258	115,472	28,679
Mount Pleasant	35,755	68,172	64,828	39,099
	<u>58,648</u>	<u>189,430</u>	<u>180,300</u>	<u>67,778</u>
High school:				
Senior High School	352,137	891,279	860,306	383,110
Athletic account	6,455	135,459	139,861	2,053
	<u>358,592</u>	<u>1,026,738</u>	<u>1,000,167</u>	<u>385,163</u>
Total all schools	<u><u>\$ 458,359</u></u>	<u><u>\$ 1,367,537</u></u>	<u><u>\$ 1,340,303</u></u>	<u><u>\$ 485,593</u></u>

Livingston Board of Education
Payroll Agency Fund

Schedule of Cash Receipts and Cash Disbursements

Year ended June 30, 2018

	Balance July 1, 2017	Cash Receipts	Cash Disbursements	Balance June 30, 2018
Assets				
Cash and cash equivalents	\$ 2,823,378	\$ 88,582,491	\$ 88,385,417	\$ 3,020,452
Total assets	\$ 2,823,378	\$ 88,582,491	\$ 88,385,417	\$ 3,020,452
Liabilities				
Interfund payable	\$ 66,000		\$ 66,000	
Payroll deductions and withholdings	737,637	\$ 86,299,185	86,258,403	\$ 778,419
Summer payroll escrow payable	2,019,741	2,283,306	2,061,014	2,242,033
Total liabilities	\$ 2,823,378	\$ 88,582,491	\$ 88,385,417	\$ 3,020,452

Long-Term Debt

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

Year ended June 30, 2018

Issue	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance July 1, 2017	Retired	Balance June 30, 2018
			Date	Amount				
High School Renovations	10/9/07	\$ 43,521,000				\$ 1,250,000	\$ 1,250,000	
School Refunding Bonds	3/11/10	12,405,000	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	7,315,000	1,275,000	\$ 6,040,000
Renovations to Schools	8/3/10	9,000,000	7/15/18	1,000,000	2.125			
			7/15/19	1,000,000	2.350			
			7/15/20	1,000,000	2.500	4,000,000	1,000,000	3,000,000
Renovations to Schools	10/1/13	8,500,000	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	7,350,000	475,000	6,875,000
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	8,500,000	400,000	8,100,000
School Refunding Bonds	9/24/2015	61,010,000	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	60,695,000	160,000	60,535,000
						<u>\$ 89,110,000</u>	<u>\$ 4,560,000</u>	<u>\$ 84,550,000</u>

**Livingston Board of Education
Long-Term Debt**

Schedule of Obligations Under Capital Leases

Year ended June 30, 2018

	Interest Rate	Amount of Original Issue	Balance July 1, 2017	Issued	Retired	Balance June 30, 2018
TD Equipment Financing	1.48%	\$ 1,000,000	\$ 671,912		\$ 333,488	\$ 338,424
TD Equipment Financing	1.22%	2,800,000	2,762,675		909,758	1,852,917
U.S. Bancorp	1.06%	1,200,000	301,574		301,574	
City National	1.61%	2,210,000		\$ 2,210,000		2,210,000
			<u>\$ 3,736,161</u>	<u>\$ 2,210,000</u>	<u>\$ 1,544,820</u>	<u>\$ 4,401,341</u>

Livingston Board of Education
Debt Service Fund

Budgetary Comparison Schedule

Year ended June 30, 2018

	Original Budget	Final Budget	Actual	Variance Final to Actual
Revenues:				
Local sources:				
Miscellaneous-sale of SREC's	\$ 87,680	\$ 87,680	\$ 120,174	\$ 32,494
Local tax levy	7,112,478	7,112,478	7,112,478	
State sources:				
Debt service aid type II	837,616	837,616	837,616	
Total revenues	8,037,774	8,037,774	8,070,268	32,494
Expenditures:				
Interest on bonds	3,624,800	3,624,800	3,624,800	
Principal on bonds	4,560,000	4,560,000	4,560,000	
Total expenditures	8,184,800	8,184,800	8,184,800	
(Deficiency) of revenues (under) expenditures	(147,026)	(147,026)	(114,532)	32,494
Other financing sources:				
Transfers in			87,429	87,429
Total other financing sources			87,429	87,429
Net change in fund balances	(147,026)	(147,026)	(27,103)	119,923
Fund balance, July 1	157,471	157,471	157,471	-
Fund balance, June 30	\$ 10,445	\$ 10,445	\$ 130,368	\$ 119,923

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									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Governmental activities at Government-wide level										
Net investment in capital assets	\$ 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	\$ 62,345,455
Restricted	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	7,736,318
Unrestricted (deficit)	(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)	(33,016,080)
Total governmental activities net position	\$ 27,449,635	\$ 29,780,003	\$ 36,624,513	\$ 51,892,490	\$ 55,295,600	\$ 57,368,126	\$ 34,390,321	\$ 35,891,901	\$ 35,760,802	\$ 37,065,693
Business-type activities at Government-wide level										
Investment in capital assets									\$ 64,260	\$ 71,264
Unrestricted		\$ 37,129	\$ 101,382	\$ 117,150	\$ 123,159	\$ 156,564	\$ 163,609	\$ 124,697	25,952	63,014
Total business-type activities net position		\$ 37,129	\$ 101,382	\$ 117,150	\$ 123,159	\$ 156,564	\$ 163,609	\$ 124,697	\$ 90,212	\$ 134,278
Government-wide level										
Net investment in capital assets	\$ 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	\$ 62,416,719
Restricted	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	7,736,318
Unrestricted (deficit)	(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)	(32,953,066)
Total government-wide net position	\$ 27,449,635	\$ 29,817,132	\$ 36,725,895	\$ 52,009,640	\$ 55,418,759	\$ 57,524,690	\$ 34,553,930	\$ 36,016,598	\$ 35,851,014	\$ 37,199,971

Source: CAFR Schedule A-I 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,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Expenses										
Governmental activities										
Instruction	\$ 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	\$ 100,285,889
Support Services:										
Attendance and social work	336,610	101,614	111,223	87,045	83,146	68,300	81,890	111,626	175,412	114,992
Health services	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	1,751,864
Other support services	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	14,328,859
Improvement of instruction	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	3,638,064
Other support instructional staff	519,445	430,135	618,138	602,057	578,017	616,615	721,986	631,642	782,759	742,174
School library	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	2,124,858
General administration	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	1,532,530
School administration	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	8,002,939
Required maintenance of plant	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	2,103,451
Operation of plant	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	8,004,142
Student transportation	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	4,513,329
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	2,422,989
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	2,268,568
Charter Schools							35,575	30,910	35,671	69,317
Interest on long-term debt	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	3,311,348
Total governmental activities expenses	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	155,215,313
Business-type activities										
Food service	835,526	785,620	899,767	942,943	935,828	1,064,344	1,326,939	1,731,199	2,139,565	2,075,522
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	2,075,522
Total district expenses	\$ 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	\$ 157,290,835
Program Revenues										
Governmental activities:										
Charges for services:										
Instruction (tuition)	\$ 104,008	\$ 72,370	\$ 116,574	\$ 53,985	\$ 10,083	\$ 46,993	\$ 112,693	\$ 170,384	\$ 241,640	\$ 354,819
Pupil transportation	158,875	158,408	114,679	310,880	315,153	301,983	337,630	372,107	489,254	377,452
Operating grants and contributions	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	2,469,246
Capital grants and contributions	74,938	978,472	4,427,857	12,398,388	449,567	280,721	123,888	121,562	1,034,268	20,623
Total governmental activities program revenues	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	3,222,140
Business-type activities										
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	2,113,314
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	2,113,314
Total district program revenues	\$ 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	\$ 5,335,454
Net (Expense)/Revenue										
Governmental activities	\$ (96,259,639)	\$ (99,328,097)	\$ (95,133,600)	\$ (91,644,646)	\$ (107,383,489)	\$ (110,172,550)	\$ (119,645,952)	\$ (133,311,086)	\$ (147,074,518)	\$ (151,993,173)
Business-type activities		36,878	55,328	3,379	5,255	32,712	6,277	(40,075)	(36,882)	37,792
Total government-wide net expense	\$ (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)	\$ (151,955,381)

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

	Year ended June 30,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 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	\$ 102,743,234
Property taxes levied for debt service	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	7,112,478
Unrestricted grants and contributions	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	42,526,598
Investment earnings	485,083	34,904	65,852	96,553	38,900	61,224	23,943	88,831	150,948	221,777
Rental income	411,991	464,417	418,764	487,216	496,484	601,549	586,959	564,534	504,525	497,508
Miscellaneous income	194,190	118,070	40,180	241,280	215,386	336,001	265,788	200,351	115,767	196,469
Transfers	(32,008)		(8,678)	(11,602)						
Total governmental activities	96,811,143	101,658,465	101,978,110	106,912,623	110,786,599	112,245,076	122,002,020	134,812,666	146,943,419	153,298,064
Business-type activities:										
Interest earnings	352	251	247	787	754	693	768	1,163	2,397	6,274
Transfers	32,008		8,678	11,602						
Total business-type activities	32,360	251	8,925	12,389	754	693	768	1,163	2,397	6,274
Total government-wide	\$ 96,843,503	\$ 101,658,716	\$ 101,987,035	\$ 106,925,012	\$ 110,787,353	\$ 112,245,769	\$ 122,002,788	\$ 134,813,829	\$ 146,945,816	\$ 153,304,338
Change in Net Position										
Governmental activities	\$ 551,504	\$ 2,330,368	\$ 6,844,510	\$ 15,267,977	\$ 3,403,110	\$ 2,072,526	\$ 2,356,068	\$ 1,501,580	\$ (131,099)	\$ 1,304,891
Business-type activities		37,129	64,253	15,768	6,009	33,405	7,045	(38,912)	(34,485)	44,066
Total district	\$ 551,504	\$ 2,367,497	\$ 6,908,763	\$ 15,283,745	\$ 3,409,119	\$ 2,105,931	\$ 2,363,113	\$ 1,462,668	\$ (165,584)	\$ 1,348,957

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.

GASB 75 was implemented in the 2018 fiscal year. Implementation resulted in an increase in unrestricted grants and contributions and various expense lines from the previous year.

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

	As of June 30,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Fund										
Reserved	\$ 2,507,498	\$ 2,104,121								
Unreserved	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	\$ 3,812,411
Assigned			748,065	1,618,550	1,382,881	525,508	670,709	524,747	740,234	757,944
Unassigned			2,495,826	2,842,943	2,615,086	2,634,903	2,412,411	2,501,855	2,666,800	2,764,525
Total general fund	<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>	<u>\$ 7,334,880</u>
All Other Governmental Funds										
Unreserved, reported in:										
Special revenue fund								\$ 2,302,593		
Capital projects fund (deficit)	\$ 2,888,407	\$ (596,959)								
Debt service fund				\$ 10,013	\$ 53,510	\$ 323,480	\$ 87,680	234,706	\$ 157,471	\$ 130,368
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	4,540,653
Total all other governmental funds	<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>	<u>\$ 4,671,021</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,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Revenues										
Tax levy	\$ 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	\$ 109,855,712
Tuition charges	104,008	72,370	116,574	53,985	10,083	46,993	112,693	170,384	241,640	354,819
Interest earnings	485,083	34,904	65,852	96,553	38,900	61,224	23,943	47,132	63,519	159,859
Investment income								41,699	87,429	61,918
Rental income		464,417	418,764	487,216	496,484	601,549	586,959	564,534	504,525	497,508
Miscellaneous	765,056	276,478	154,859	410,544	389,913	780,894	636,806	633,408	605,021	573,921
State sources	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	21,434,902
Local sources	996	13,664	45,108	41,027	41,914	16,418	32,279	22,806	30,465	24,340
Federal sources	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	1,582,278
Total revenue	99,029,828	105,703,441	108,972,592	121,901,314	113,542,026	115,033,450	118,929,101	123,799,237	129,548,067	134,545,257
Expenditures										
Instruction										
Regular and Special Education Instruction	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	53,137,649
Undistributed:										
Instruction	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	6,537,171
Attendance and social work	246,405	73,647	81,403	62,593	58,889	49,494	54,685	67,821	97,710	63,228
Health services	937,304	956,004	849,055	901,743	919,492	944,287	938,827	983,322	976,076	970,191
Other support services	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	8,603,722
Improvement of instruction	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	2,016,432
School library	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	1,244,696
Instructional staff training	1,142,884	337,040	480,072	452,692	430,027	464,605	524,358	403,168	467,394	446,711
General administration	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	1,168,022
School administration	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	4,586,777
Required maintenance of plant	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	1,323,260
Operation of plant	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	5,569,037
Student transportation	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	3,294,251
Business and oth supp. svcs & benefits	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	18,953,666
On Behalf TPAF social security & pension/medical contributions	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	15,730,398
Capital outlay	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	5,830,484
Charter Schools							35,575	30,910	35,671	69,317
Costs of issuance		144,797	96,800			53,298				
Debt service:										
Principal	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	4,560,000
Interest	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	3,624,800
Total expenditures	126,199,115	111,939,234	120,841,825	140,000,893	114,450,890	116,352,280	130,185,299	126,660,276	133,586,277	137,729,812
Excess (Deficiency) of revenues over (under) expenditures	(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)	(3,184,555)
Other Financing sources (uses)										
Capital leases (non-budgeted)	1,250,000	1,250,000	750,000	750,000			1,200,000	3,800,000		2,210,000
Bond proceeds			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	610,052	15,290	53,849	815,679	424,584	18,119	234,691	2,967,026	48,763	112,758
Transfers out	(642,060)	(15,290)	(62,527)	(827,281)	(424,584)	(18,119)	(234,691)	(2,967,026)	(48,763)	(112,758)
Total other financing sources (uses)	1,217,992	1,394,797	37,816,322	738,398	44,145	8,500,850	1,200,000	12,723,848	-	2,210,000
Net change in fund balances	\$ (25,951,295)	\$ (4,840,996)	\$ 25,947,089	\$ (17,361,181)	\$ (864,719)	\$ 7,182,020	\$ (10,056,198)	\$ 9,862,809	\$ (4,038,210)	\$ (974,555)
Debt service as a percentage of noncapital expenditures	4.7%	4.9%	4.8%	6.2%	6.1%	6.4%	6.6%	6.2%	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
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
2018	354,819	196,448	497,508	377,452	76,295	1,502,522

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 ^a	Net Valuation Taxable	Total Direct School Tax Rate ^b
* 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
2018	95,026,200	6,122,581,917	740,300	981,362,878	104,191,300	2,658,800	7,306,561,395	9,534,432	7,316,095,827	1.544

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 ^a	General Obligation Debt Service ^b	Total Direct	Livingston Township	Essex County	
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
2018	1.44	0.10	1.54	0.48	0.56	2.58

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	2018			2009		
	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	1.80%	\$ 242,288,304	1	3.20%
KRG Livingston Center, LLC	46,726,300	2	0.64%			
Livingston Circle Associates	38,000,000	3	0.52%	68,482,800	2	0.90%
CIT Bank, N.A.	31,992,000	5	0.44%			
369 East Mount Pleasant Ave., LLC	37,655,800	4	0.51%			
CIT Group Inc.				45,938,500	3	0.60%
City of East Orange				40,050,100	4	0.50%
Eastgreen, Inc.	30,175,000	6	0.41%	39,426,700	5	0.50%
Fomosa Plastics, Corp., USA	28,000,000	7	0.38%	32,969,800	6	0.40%
Livingston Retirement Care Assoc.	28,000,000	7	0.38%	30,250,300	7	0.40%
Trustee Sears Facilities	21,709,700	9	0.30%			
Allwood Associates	21,500,000	10	0.29%			
Esplansde Livingston, LLC				30,195,000	8	0.40%
Marsag, L.P.				29,834,700	9	0.40%
Trste Src Facilities				29,469,900	10	0.40%
Total	\$ 415,758,800		5.68%	\$ 588,906,104		7.70%

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
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%	-
2018	109,855,712	109,855,712	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 ^a	Per Capita ^a
	General Obligation Bonds*	Capital Leases	Bond Anticipation Notes	Grant Anticipation Notes			
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
2018	84,550,000	4,401,341			88,951,341	0.07%	60,887

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

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

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

* Does not include 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,	<u>General Bonded Debt Outstanding</u>		Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds and Notes	Deductions			
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
2018	84,550,000	130,368	84,419,632	1.16%	60,887

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, 2018
Unaudited

	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable ^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Livingston Township	\$ 82,692,695	100.00%	\$ 82,692,695
County of Essex	410,788,661	9.13%	<u>37,485,287</u>
Subtotal, overlapping debt			120,177,981
Livingston Township School District Direct Debt*			<u>95,101,454</u>
Total direct and overlapping debt			<u><u>\$ 215,279,435</u></u>

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

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

^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 and capital leases.

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

Legal Debt Margin Calculation for Fiscal Year 2018

Equalized valuation basis	2017	\$ 8,037,144,154
	2016	7,757,298,906
	2015	<u>7,641,766,744</u>
		<u>\$ 23,436,209,804</u>
Average equalized valuation of taxable property		<u>\$ 7,812,069,935</u>
Debt limit (4 % of average equalization value)		\$ 312,482,797
Net bonded school debt		<u>95,101,454</u>
Legal debt margin		<u>\$ 217,381,343</u>

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Debt limit	\$ 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	\$ 312,482,797
Total net debt applicable to limit	<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>	<u>95,101,454</u>
Legal debt margin	<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>	<u>217,381,343</u>
Total net debt applicable to the limit as a percentage of debt limit	21.18%	33.39%	32.76%	35.26%	41.32%	40.27%	39.11%	34.41%	31.10%	30.43%

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**

<u>Year</u>	<u>Population ^a</u>	<u>Personal Income (thousands of dollars) ^b</u>	<u>Per Capita Personal Income ^c</u>	<u>Unemployment Rate ^d</u>
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%
2018	30,142	N/A	60,887	3.3%

Source:

^a Population information provided by the NJ Dept of Labor and Workforce Development.

^b Personal income data is not available.

^c Per Capita Personal Income information provided by NJ Dept of Labor and Workforce Development.

^d 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>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>	<u>2018</u>
Instruction										
Regular	388	388	392	394	397	398	399	402	402	403
Special education	49	50	53	55	59	63	67	67	70	71
Support services										
Student & instruction related services	94	94	95	99	102	102	104	104	110	110
General administrative services	12	12	12	13	13	13	13	13	14	16
School administrative services	43	43	43	42	42	42	42	42	43	44
Business administrative services	13	13	13	12	12	12	12	12	12	12
Plant operations and maintenance	55	55	56	55	57	57	57	57	59	59
Pupil transportation	28	28	27	27	28	27	28	28	29	29
Total	682	683	691	697	710	714	722	725	739	744

Source: District Personnel Records

Livingston Board of Education
 Operating Statistics
 Last Ten Fiscal Years
 Unaudited

Pupil/Teacher Ratio

<u>Fiscal Year</u>	<u>Enrollment</u>	<u>Operating Expenditures^a</u>	<u>Cost Per Pupil</u>	<u>Percentage Change</u>	<u>Teaching Staff^b</u>	<u>Elementary</u>	<u>Middle School</u>	<u>High School</u>	<u>Average Daily Enrollment (ADE)^c</u>	<u>Average Daily Attendance (ADA)^c</u>	<u>% Change in Average Daily Enrollment</u>	<u>Student Attendance Percentage</u>
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%
2018	5,971	123,714,528	20,719	2.93%	474	1:13	1:11	1:11	5,971	5,757	0.98%	96.42%

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

District Building	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Elementary										
Burnet Hill Elementary										
Square Feet	51,521	51,521	51,521	51,521	51,521	51,521	51,521	55,467	55,467	55,467
Capacity (students)	412	412	412	412	412	412	412	522	522	522
Enrollment	435	452	432	413	454	440	464	472	447	475
Riker Hill Elementary										
Square Feet	48,279	48,279	48,279	48,279	48,279	48,279	48,279	53,440	53,440	53,440
Capacity (students)	386	386	386	386	386	386	386	414	414	414
Enrollment	428	403	423	417	421	406	400	398	375	402
Collins Elementary										
Square Feet	48,589	48,589	48,589	48,589	48,589	48,589	48,589	53,309	53,309	53,309
Capacity (students)	389	389	389	389	389	389	389	424	424	424
Enrollment	415	413	427	424	432	452	453	481	467	453
Harrison Elementary										
Square Feet	64,555	64,555	64,555	64,555	64,555	64,555	64,555	75,151	75,151	75,151
Capacity (students)	516	516	516	516	516	516	516	656	656	656
Enrollment	536	549	535	528	517	485	487	480	451	473
Hillside Elementary										
Square Feet	45,168	45,168	45,168	45,168	45,168	45,168	45,168	51,694	51,694	51,694
Capacity (students)	361	361	361	361	361	361	361	529	529	529
Enrollment	440	413	401	398	412	406	412	407	394	399
Mount Pleasant Elementary										
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	414	428	423	435	450	454	446	428	434
Middle Schools										
Heritage										
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	898	929	921	893	921	918	920	973	958	958
Mount Pleasant										
Square Feet	87,421	87,421	87,421	87,421	87,421	87,421	87,421	87,421	87,421	87,421
Capacity (students)	687	687	687	687	687	687	687	687	687	687
Enrollment	451	451	435	477	425	471	476	463	464	481
High School										
Livingston High School										
Square Feet	302,127	302,127	302,127	302,127	302,127	302,127	302,127	302,127	302,127	302,127
Capacity (students)	1,736	1,736	1,736	1,736	1,736	1,736	1,736	1,736	1,736	1,736
Enrollment	1,657	1,682	1,744	1,761	1,813	1,847	1,827	1,830	1,892	1,896

Number of Schools at June 30, 2018

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 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)	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Livingston High School	50	\$ 370,514	\$ 356,961	\$ 349,361	\$349,774	\$ 356,114	\$ 343,815	\$ 363,700	\$ 338,494	\$ 384,428	\$ 368,067
Heritage Middle School	55	251,420	242,222	237,066	237,347	241,650	233,302	246,796	229,692	260,860	249,759
Mt. Pleasant Middle School	60	172,024	165,731	162,203	162,396	165,340	159,628	168,860	157,157	178,484	170,888
Burnet Hill	70	92,628	89,240	87,340	87,444	89,029	85,953	90,925	84,623	96,108	92,018
Collins	80	79,395	76,491	74,863	74,952	76,311	73,674	77,936	77,936	82,377	78,871
Harrison	90	119,094	114,738	112,295	112,428	114,466	110,511	116,903	108,801	123,566	118,307
Hillside	100	79,395	76,491	74,863	74,952	76,311	73,674	77,936	77,936	82,377	78,871
Mt. Pleasant	110	79,395	76,491	74,863	74,952	76,311	73,674	77,936	77,936	82,377	78,871
Riker Hill	118	79,395	76,491	74,863	74,952	76,311	73,674	77,936	77,936	82,377	78,871
Total School Facilities		<u>\$ 1,323,260</u>	<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>

Source: District records of required maintenance.

**Livingston Board of Education
Insurance Schedule
June 30, 2018
(Unaudited)**

	<u>Coverage</u>	<u>Deductible</u>
School Commercial Package Policy-School Alliance Insurance Fund:		
Property-Blanket Building & Contents (fund limit)	\$500,000,000	\$2,500
Comprehensive General Liability	5,000,000	N/D
Comprehensive Automobile Liability	5,000,000	N/D
Crime Policy	400,000	N/D
Accounts Receivable	300,000	1,000
Excess Liability Policy-School Alliance Insurance Fund:		
Policy Limit (AL, GL, SBLL)	10,000,000	N/D
School Board Legal Liability-School Alliance Insurance Fund:		
Limit of Liability	10,000,000	10,000
Environmental Service-School Alliance Insurance Fund:		
Policy Limit	1,000,000	10,000
Worker's Compensation-NJ School Insurance Group:		
Medical/Indemnity	Statutory	N/D
Employer's Liability	2,000,000	N/D
Business Administrator's Bond (Western Surety)	500,000	N/D
Assistant Bus. Admin. (Western Surety)	10,000	N/D
Student Accident - AXIS Insurance		
Base Policy	25,000	N/D
Catastrophic Policy	5,000,000	25,000

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 of Education
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, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated February 14, 2019.

Internal Control Over Financial Reporting

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

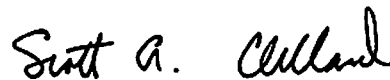
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

February 14, 2019
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 of Education
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, 2018. 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, 2018.

Report on Internal Control Over Compliance

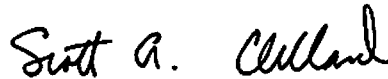
Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the 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

February 14, 2019
Livingston, New Jersey

Livingston Board of Education
Schedule of Expenditures of Federal Awards
Year ended June 30, 2018

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Federal FAJN Number	Grant Period	Award Amount	June 30, 2017			Carryover Amount	Cash Received	Budgetary Expenditures	Repayment of Prior year Balances	June 30, 2018		
					Unearned Revenue	(Accounts Receivable)	Due to Grantor					(Accounts Receivable)	Unearned Revenue	Due to Grantor
General Fund:														
U.S. Department of Health and Human Services-														
Passed Through the State Department of Education:														
Medicaid Assistance - SEMI	93.778	1805NJ5MAP	7/1/17-6/30/18	\$ 27,046				\$ 9,157	\$ (9,157)					
Total general fund								<u>9,157</u>	<u>(9,157)</u>					
Special Revenue Fund:														
U.S. Department of Education -														
Passed Through the State Department of Education:														
Temporary Emergency Impact Aid	84.938C	Not available	7/1/17-6/30/18	13,500					(13,500)		\$ (13,500)			
Title I, Part A	84.010A	S010A170030	7/1/17-6/30/18	132,773				90,984	(132,773)			(41,789)		
Title I, Part A	84.010A	S010A160030	7/1/16-6/30/17	133,707	\$ (52,625)			\$ 52,625						
Title II-A	84.367A	S367A170029	7/1/17-6/30/18	76,044				76,044	(76,044)					
Title II-A	84.367A	S367A160029	7/1/16-6/30/17	64,538		(32,714)		32,714						
Title III	84.365A	S365A170030	7/1/17-6/30/18	18,361				15,243	(18,361)			(3,118)		
Title III	84.365A	S365A160030	7/1/16-6/30/17	21,505		(1,000)		1,000						
Title III Immigrant	84.365A	S365A170030	7/1/17-6/30/18	9,822				9,328	(9,822)			(494)		
Title IV	84.424	S424A170031	7/1/17-6/30/18	10,000				10,000	(10,000)					
Special Education Cluster:														
IDEA Part B, Basic	84.027A	H027A170100	7/1/17-6/30/18	1,265,404				1,155,457	(1,258,429)			(102,972)		
IDEA Part B, Basic	84.027A	H027A160100	7/1/16-6/30/17	1,277,029		(173,549)		173,549						
IDEA Part B, Preschool	84.173A	H173A170114	7/1/17-6/30/18	54,192				49,836	(54,192)			(4,356)		
IDEA Part B, Preschool	84.173A	H173A160114	7/1/16-6/30/17	54,448		(7,016)		7,016						
Total Special Education Cluster						<u>(180,565)</u>		<u>1,385,858</u>	<u>(1,312,621)</u>			<u>(107,328)</u>		
Total Special Revenue Fund						<u>(266,904)</u>		<u>1,673,796</u>	<u>(1,573,121)</u>			<u>(166,229)</u>		
Total Federal Awards Expenditures						<u>\$ -</u>	<u>\$ (266,904)</u>	<u>\$ -</u>	<u>\$ 1,682,953</u>	<u>\$ (1,582,278)</u>	<u>\$ -</u>	<u>\$ (166,229)</u>	<u>\$ -</u>	

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

Livingston Board of Education
Schedule of Expenditures of State Financial Assistance
Year ended June 30, 2018

State Grants/Program Title	Grant or State Project Number	Grant Period	Award Amount	June 30, 2017				Budgetary Encumbrance	Representation of Prior Years' Balances	Adjustments	June 30, 2018			Means	
				Unearned Revenue	(Accounts Receivable)	Due to Grantee	Cash Received				Unearned Revenue	(Accounts Receivable)	Due to Grantee	Budgetary Receivable	Commutative Total Expenditures
State Department of Education															
General Fund:															
Special Education Aid	495-034-5120-089	7/1/17-6/30/18	\$ 2,398,755				\$ 2,187,236	\$ (2,398,755)						\$ (211,519)	\$ (2,398,755)
Special Education Aid	495-034-5120-089	7/1/16-6/30/17	2,634,235		\$ (182,913)		182,913								
Transportation Aid	495-034-5120-014	7/1/17-6/30/18	241,059				219,803	(241,059)						(21,256)	(241,059)
Transportation Aid	495-034-5120-014	7/1/16-6/30/17	241,059		(21,156)		21,156								
Security Aid	495-034-5120-084	7/1/17-6/30/18	104,597				95,374	(104,597)						(9,223)	(104,597)
Security Aid	495-034-5120-084	7/1/16-6/30/17	104,597		(9,180)		9,180								
FARCC Readiness Aid	495-034-5120-098	7/1/17-6/30/18	59,680				54,417	(59,680)						(5,263)	(59,680)
FARCC Readiness Aid	495-034-5120-098	7/1/16-6/30/17	59,680		(5,238)		5,238							(5,263)	(59,680)
Per Pupil Growth Aid	495-034-5120-097	7/1/17-6/30/18	59,680				54,417	(59,680)						(5,263)	(59,680)
Per Pupil Growth Aid	495-034-5120-097	7/1/16-6/30/17	59,680		(5,238)		5,238								
Prof Learning Comm Aid	495-034-5120-101	7/1/16-6/30/17	60,050		(5,270)		5,270								
Prof Learning Comm Aid	495-034-5120-101	7/1/17-6/30/18	60,050				54,755	(60,050)						(5,295)	(60,050)
Extraordinary Aid	100-034-5120-473	7/1/17-6/30/18	1,036,833					(1,036,833)			\$ (1,036,833)				(1,036,833)
Extraordinary Aid	100-034-5120-473	7/1/16-6/30/17	987,669		(987,669)		987,669								
Additional NonPublic Transportation Aid	Not available	7/1/17-6/30/18	42,650					(42,650)						(42,650)	(42,650)
Additional NonPublic Transportation Aid	Not available	7/1/16-6/30/17	23,404		(23,404)		23,404								
On-Behalf Teachers' Pension and Annuity Fund	495-034-5094-002	7/1/17-6/30/18	7,280,833				7,280,833	(7,280,833)							(7,280,833)
On-Behalf Teachers' Pension and Annuity Fund - Post-Retirement Medical	495-034-5094-001	7/1/17-6/30/18	4,702,548				4,702,548	(4,702,548)							(4,702,548)
On-Behalf Teachers' Pension and Annuity Fund - Non-Contributory Insurance	495-034-5094-004	7/1/17-6/30/18	10,730				10,730	(10,730)							(10,730)
Reimbursed TPAF - Social Security	495-034-5094-003	7/1/17-6/30/18	3,736,267				3,736,267	(3,736,267)						(182,165)	(3,736,267)
Reimbursed TPAF - Social Security	495-034-5094-003	7/1/16-6/30/17	3,647,663		(179,947)		179,947								
Total General Fund					(1,422,015)		19,336,250	(19,733,702)				(1,261,648)		(257,819)	(19,733,702)
Special Revenue Fund:															
New Jersey Non-Public Aid															
Feedback Aid	100-034-5120-064	7/1/17-6/30/18	49,739				49,739	(49,351)							(49,351)
Feedback Aid	100-034-5120-064	7/1/16-6/30/17	51,127			\$ 1,360			\$ 1,360				\$ 388		
Technology Aid	100-034-5120-373	7/1/17-6/30/18	55,537				55,537	(55,340)						197	(55,340)
Technology Aid	100-034-5120-373	7/1/16-6/30/17	38,376			5,999			5,999						
Security Aid	100-034-5120-509	7/1/17-6/30/18	115,650				115,650	(115,650)							(115,650)
Security Aid	100-034-5120-509	7/1/16-6/30/17	75,600			38			38						
Non Public Auxiliary Services (Ch. 192)															
English as a Second Language	100-034-5120-067	7/1/17-6/30/18	1,807				1,807								1,807
English as a Second Language	100-034-5120-067	7/1/16-6/30/17	1,827			1,827									
Compensatory Education	100-034-5120-067	7/1/17-6/30/18	58,465				58,465	(41,898)						16,567	(41,898)
Compensatory Education	100-034-5120-067	7/1/16-6/30/17	61,612			339			339						
Home Instruction	100-034-5120-067	7/1/17-6/30/18	8,936				8,936	(8,936)						(8,936)	(8,936)
Home Instruction	100-034-5120-067	7/1/16-6/30/17	4,355		(4,355)		4,355								
Non Public Handicapped Services (Ch. 193)															
Supplemental Instruction	100-034-5120-066	7/1/17-6/30/18	185,156				185,156	(185,156)							(185,156)
Supplemental Instruction	100-034-5120-066	7/1/16-6/30/17	158,287												
Examination and Classification	100-034-5120-066	7/1/17-6/30/18	256,231				256,231	(238,429)						17,802	(238,429)
Examination and Classification	100-034-5120-066	7/1/16-6/30/17	256,421			23,017			23,017						
Corrective Speech	100-034-5120-070	7/1/17-6/30/18	76,781				76,781	(59,907)						16,874	(59,907)
Corrective Speech	100-034-5120-070	7/1/16-6/30/17	80,399			22,426			22,426						
Non Public Nursing Services	100-034-5120-070	7/1/17-6/30/18	149,574				149,574	(149,574)							(149,574)
Non Public Nursing Services	100-034-5120-070	7/1/16-6/30/17	136,080												
Total Special Revenue Fund					(4,355)	59,006	933,299	(904,241)				(8,936)	53,833		(904,241)
Capital Projects Fund:															
New Jersey School Development Authority Grants	Various	7/1/09-completion	22,896,440				529,905	(20,623)							(19,469,397)
Total Capital Projects Fund					(1,945,258)		529,905	(20,623)				(1,430,976)			(19,469,397)
Debt Service Fund:															
Debt Service Aid	495-034-5120-017	7/1/17-6/30/18	837,616				837,616	(837,616)							(837,616)
Debt Service Aid	495-034-5120-017	7/1/16-6/30/17	837,616				837,616	(837,616)							(837,616)
Total Debt Service Fund															
Total State Financial Assistance					\$ -	\$ (3,366,628)	\$ 55,006	\$ 21,937,050	\$ (21,895,182)	\$ 55,006	\$ -	\$ (2,701,580)	\$ 53,633	\$ (257,819)	\$ (22,944,955)
State Financial Assistance Not Subject to Single Audit Determination:															
On-Behalf Teachers' Pension and Annuity Fund	495-034-5094-002	7/1/17-6/30/18	7,280,833				7,280,833	(7,280,833)							(7,280,833)
On-Behalf Teachers' Pension and Annuity Fund - Post-Retirement Medical	495-034-5094-001	7/1/17-6/30/18	4,702,548				4,702,548	(4,702,548)							(4,702,548)
On-Behalf Teachers' Pension and Annuity Fund - Non-Contributory Insurance	495-034-5094-004	7/1/17-6/30/18	10,730				10,730	(10,730)							(10,730)
Total State Financial Assistance Subject to Single Audit Determination					\$ -	\$ (3,366,628)	\$ 55,006	\$ 20,927,913	\$ (20,507,013)	\$ 55,006	\$ -	\$ (2,701,580)	\$ 53,633	\$ (257,819)	\$ (22,950,873)

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, 2018

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, 2018

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 \$33,094 for the general fund and \$32,456 for the special revenue 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). In addition, there are \$550 of encumbrances related to federal programs that reconcile the accounts receivable on a budgetary basis (K-3) to the GAAP basis (B-1). 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	\$ 9,157	\$ 19,704,878	\$ 19,714,035
Special Revenue Fund	1,573,121	871,785	2,444,906
Capital Projects Fund		20,623	20,623
Debt Service Fund		837,616	837,616
Total financial award revenues	<u>\$ 1,582,278</u>	<u>\$ 21,434,902</u>	<u>\$ 23,017,180</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, 2018

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, 2018.

The post retirement pension and medical benefits received on-behalf of the District for the year ended June 30, 2018 amounted to \$11,994,131. 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, 2018

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	H027A170100 / H173A170114	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, 2018

Part I – Schedule of Auditors’ Results

State Financial Assistance

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
495-034-5094-003	Reimbursed TPAF Social Security Contributions
495-034-5120-017	Debt Service Aid

Livingston Board of Education
Schedule of Findings and Questioned Costs
Year ended June 30, 2018

Part II - Schedule of Financial Statement Findings

No compliance or internal control over financial reporting 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, 2018

**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 over compliance 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 over compliance 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, 2018

No prior year findings were noted.