

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, 2015*

Livingston Board of Education

Livingston Township, New Jersey

Comprehensive Annual Financial Report
For the Year Ended June 30, 2015

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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December 18, 2015

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

Dear Board Members and Constituents:

The comprehensive annual financial report of the Livingston Board of Education (the "District") as of and for the year ended June 30, 2015, 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, 2015 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 Single Audit Act Amendments of 1996 and the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the New Jersey OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments*. Information related to this single audit, including the auditor's reports on internal control and compliance with applicable laws and regulations are included in the single audit section of this report.

1. Reporting Entity and Its Services

The Livingston Board of Education is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board (GASB). All funds and the government-wide financial statements of the District are included in this report. The Livingston Board of Education and all its schools constitute the District's reporting entity. The District provides a full range of educational services appropriate to grade levels K through 12 as well as a Pre-K program for handicapped students. These services are provided for regular, vocational and special education youngsters. The District completed the 2014-2015 fiscal year with an average daily enrollment of 5,880 students, which is an increase of 9 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

Fiscal Year	Student Enrollment	Percent Change
2014-15	5,880	0.15%
2013-14	5,871	1.19
2012-13	5,802	1.22
2011-12	5,732	- 0.14
2010-11	5,740	0.79

2. Economic Condition and Outlook

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

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

A comprehensive cyclical process of program assessment, development and implementation provides for ongoing program improvement. Every instructional program and support service undergoes an intensive review and, based upon identified need, develops a multi-year program improvement plan and improved accommodations specific to curriculum and services. The 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 Common Core State Standards (CCSS) in English and Math, the New Jersey Core Curriculum Content Standards (NJCCCS) in Social Studies, Visual/Performing Arts and Health/Physical Education, and the Next Generation Science Standards. We continue to implement the *Understanding by Design (UbD)* framework as the model for our curriculum writing. This approach to curriculum is designed to engage students in the process of inquiry, promote transfer of learning, and provide a conceptual framework for helping students make sense of discrete facts and skills while uncovering the “big ideas” of content.

Our professional development supports the implementation of our standards based curriculum with initiatives including: how students learn, instructional methodologies, differentiated instruction, and assessment. Significant staff development efforts, both broad-based and subject-specific, have been presented through in-service workshops, school-based or department meetings and study groups. District, building administrators and program supervisors support teachers in the implementation of these curricula and monitor instructional effectiveness. 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.

Several large-scale initiatives are currently under way to support standards based curriculum:

- a) Math:
To support the math curriculum, a new textbook was purchased for grades 3-5 this year. Teachers have been trained in the associated instructional materials and collaborate together to plan, implement and reflect upon their instruction. Technology is integrated into this instructional approach and under the direction of the elementary math supervisor, teachers in these grade levels have been trained in the use of the SmartBoard to augment their instructional approaches.
- b) Technology:
In the previous year, LPS has strengthened its use of technology at every level. In the elementary schools, carts of Chromebooks were purchased for instructional use. Thirty-six carts of Lenovo laptops have allowed for the integration of technology into instruction in the two middle schools and our high school. .
- 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.
- d) English Language Arts (ELA):
We maintain our focus on teaching English Language Arts through a balanced literacy approach. A scope and sequence for each area of ELA was developed to ensure that all aspects of ELA receive the appropriate emphasis.

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. Those services, in overview, are as follows: Child Study Teams, Resource Center Programs, Pre-School Disabled Program, Applied Behavior Analysis Program, Self-contained Classes, In-class Support, Supplemental Aides and Services, Vocational Education/Career Preparation Program, Speech Services, Occupational Therapy Services, Physical Therapy Services, School Counseling Services, and Social Skills Groups.

The Department continues to work closely with the general education departments to assure yearly progress and promote education in the least restrictive environment. Highlighted components of our program are:

- An exemplary pre-school which includes an integrated model and a pre-school disabled program.
- An Extended School Year program for special education students.
- A quality related services component, complete with OTRs, COTAs, Speech/Language Specialists, Physical Therapists, Behaviorists and Counseling Professionals.
- Teacher Assistants that serve as yet another circle of support, especially at transition junctures.
- 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.
- Child Study Team personnel embedded in each building.
- Comprehensive and Developmental K-12 School Counseling Program.
- A continuum of clinical counseling services to at-risk students with emotional, school refusal, and behavioral problems is available K-12.

Staff Development

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

3. Internal Control

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

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

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

4. Budgetary Controls

In addition to internal control, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the general fund, the special revenue fund and the debt service fund. Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the required supplementary information-Part II 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, 2015.

5. Accounting System and Reports

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

6. Cash Management

The investment policy of the District is guided in large part by State statute as detailed in "Notes to the Basic Financial Statements," Note 3. The District utilizes a cash management plan, which requires it to deposit public funds in public depositories protected from loss under the provisions of

the Governmental Unit Deposit Protection Act (“GUDPA”). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

7. Risk Management

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

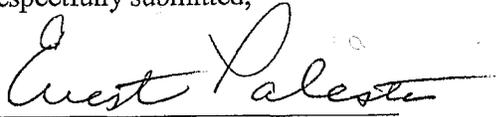
8. Other Information

Independent Audit: State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Wiss & Company, LLP was selected by the Board. In addition to meeting the requirements set forth in State statutes, the audit also was designed to meet the requirements of the Single Audit Act Amendments of 1996 and the related OMB Circular A-133 and New Jersey OMB Circular 15-08. The auditors’ report on the basic financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditors’ reports related specifically to the single audit are included in the single audit section of this report.

9. Acknowledgments

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

Respectfully submitted,

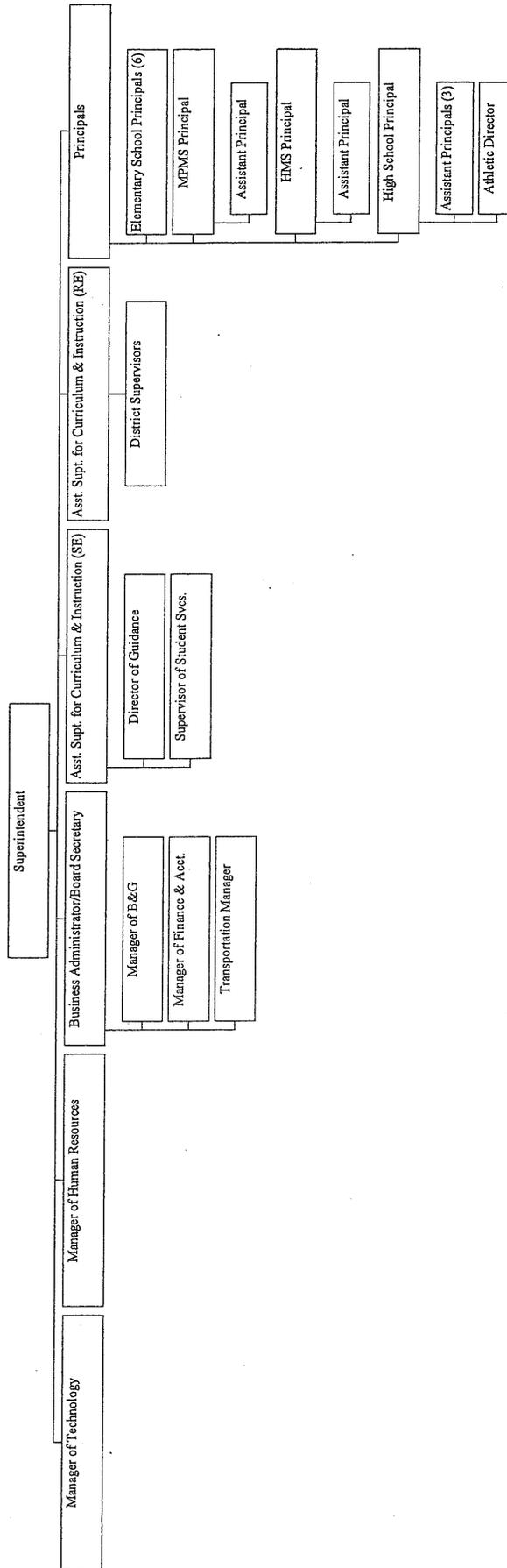


Dr. Ernest Palestis
Interim Superintendent



Steven K. Robinson
Business Administrator/Board Secretary

Livingston Board of Education
Organizational Chart



Livingston Board of Education

Roster of Officials

June 30, 2015

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

Other Officials

Dr. Ernest Palestis, Interim Superintendent
Mr. Steven K. Robinson, School Business Administrator/Board Secretary
Mrs. Patricia Boland, Assistant Superintendent for Curriculum and Instruction
Mrs. Lisa Steiger, Assistant Superintendent for Student Services
Mrs. Patricia Ramos, Assistant Business Administrator

Livingston Board of Education

Independent Auditor and Advisors

Architect

DiCara Rubino Architects
30 Galesi Drive
Wayne, New Jersey 07470

Independent Auditor

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Attorney

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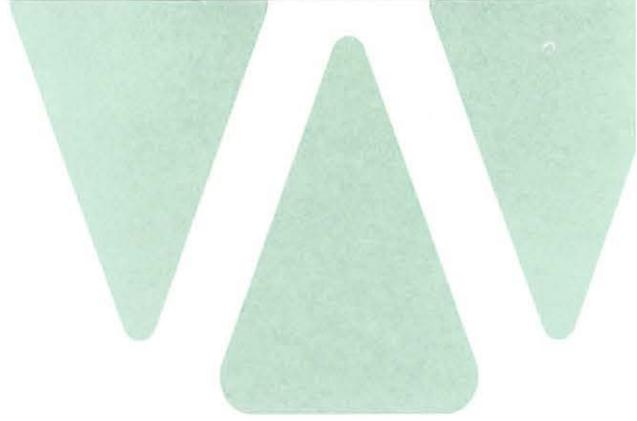
Official Depositories

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

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

TD Bank
185 South Livingston Avenue
Livingston, New Jersey 07039

Financial Section



Independent Auditors' Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Livingston Board of Education, County of Essex, New Jersey (the "District"), as of and for the year ended June 30, 2015, 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.

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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, 2015, and the respective changes in financial position, and, where applicable, cash flows, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter-Change in Accounting Principle

As discussed in Note 1.S. to the financial statements, during the fiscal year ended June 30, 2015, the District adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions* and Governmental Accounting Standards Board Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date* – an amendment to GASB Statement No. 68, which represents a change in accounting principle. As discussed in Note 18 to the financial statements, as of July 1, 2014, the District's net position was restated to reflect the impact of the change in accounting principle. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis, schedule of the District's proportionate share of the net pension liability-PERS, schedule of District contributions-PERS, schedule of the State's proportionate share of the net pension liability associated with the District-TPAF and budgetary comparison information as identified in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in

accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

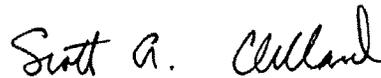
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying supplementary information, which consists of the combining and individual fund financial statements, long-term debt schedules and schedules of expenditures of federal awards and state financial assistance, as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and New Jersey OMB's 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 sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary information identified above is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The other information identified above has 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 it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 18, 2015 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



Scott A. Clelland
Licensed Public School Accountant
No. 1049



WISS & COMPANY, LLP

December 18, 2015
Iselin, New Jersey

Required Supplementary Information - Part I

Management's Discussion and Analysis

Livingston Board of Education
Livingston, New Jersey

Management's Discussion and Analysis (Unaudited)
Year ended June 30, 2015

This management discussion and analysis of the Livingston Board of Education's (the "District") financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2015. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the basic financial statements, notes and additional information in the transmittal letter to enhance their understanding of the District's financial performance.

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

Financial Highlights

Key financial highlights for fiscal 2015 are as follows:

- In total, net position decreased \$22,970,760 from the prior year mainly as a result of the implementation of Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions* and Governmental Accounting Standards Board Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment to GASB Statement No. 68*.
- At the Government-Wide level, general revenues accounted for \$122,002,788 in revenue or 96.6% percent of all revenues. Program specific revenues in the form of charges for services, grants and contributions accounted for \$4,239,185 or 3.4% of total revenues of \$126,241,973. Government-wide expenses were \$123,878,860 for the year ended June 30, 2015.
- At the Fund level, the General Fund expenditures totaled \$108,484,539, including \$9,822,692 in State on-behalf TPAF pension and social security contributions and \$2,716,863 in capital outlay. Grant related expenditures totaled \$2,331,758 in the Special Revenue Fund. Capital Project Fund expenditures totaled \$11,679,425 and debt service expenditures were \$7,689,577.

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 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 account all of the current year's revenues and expenses regardless of when cash is received or paid. These two statements report the District's net position and changes in net position.

In the Statement of Net Position and Statement of Activities, the District presents governmental activities and business-type activities. All of the District's programs and services are reported here including instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities.

The government-wide financial statements can be found on pages 24 and 25 of this report.

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.

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 (or differences) between governmental activities (reported in the Statement of Net Position and 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 can be found on pages 26-28 of this report.

Proprietary fund

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

The basic enterprise fund financial statements can be found on pages 29-31 of this report.

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 can be found on pages 32 and 33 of this report.

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 74 of this report.

Other information

The combining statements referred to earlier in connection with governmental funds are presented immediately following the notes to the basic financial statements. Combining and individual fund statements and schedules can be found on pages 75-121 of this report.

The School District as a Whole

Recall that 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.

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. Table 1 provides a summary of the District's net position at June 30, 2015 and 2014.

Table 1
Net Position
June 30,

	2015			2014		
	Governmental Activities	Business- type Activities	Total	Governmental Activities	Business- type Activities	Total
Assets:						
Current and other assets	\$ 20,533,538	\$ 340,124	\$ 20,873,662	\$ 26,125,259	\$ 296,606	\$ 26,421,865
Capital assets, net	154,224,292		154,224,292	145,905,821		145,905,821
Total assets	174,757,830	340,124	175,097,954	172,031,080	296,606	172,327,683
Deferred outflows of resources	<u>2,320,714</u>		<u>2,320,714</u>	<u>556,019</u>		<u>556,019</u>
Liabilities:						
Current liabilities	20,678,235	176,515	20,854,750	15,256,931	140,042	16,992,893
Net pension liability	23,617,336		23,617,336			
Long-term liabilities	95,949,961		95,949,961	99,962,042		99,962,042
Total liabilities	140,245,532	176,515	140,422,047	115,218,973	140,042	115,359,015
Deferred inflow of resources	<u>2,442,691</u>		<u>2,442,691</u>			
Net position:						
Net investment in capital assets	58,372,950		58,372,950	55,919,463		55,919,463
Restricted	6,028,772		6,028,772	4,402,174		4,402,174
Unrestricted (deficit)	(30,011,401)	163,609	(29,847,792)	(2,953,511)	156,564	(2,796,947)
Total net position	<u>\$ 34,390,321</u>	<u>\$ 163,609</u>	<u>\$ 34,553,930</u>	<u>\$ 57,368,126</u>	<u>\$ 156,564</u>	<u>\$ 57,524,690</u>

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), 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 total net position of the District decreased \$22,970,760 during the current fiscal year, which was mostly attributable to the restatement of the prior year net position in the amount of \$25,333,873 as a result of the implementation of Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions* and Governmental Accounting Standards Board Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment to GASB Statement No. 68*. The implementation of these GASB Statements also resulted in increases in deferred outflows of resources, deferred inflows of resources and net pension liability.

Current and other assets decreased mainly due to the expenditures related to the capital projects fund that reduced the amount of cash on hand.

The increase in current liabilities, as well as the deferred outflow, deferred inflow and net pension liability, are all a result of the implementation of Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions* and Governmental Accounting Standards Board Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment to GASB Statement No. 68*.

Current liabilities also increased due to the bond anticipation notes issued for \$4,300,000 recorded in the capital projects fund to fund cash flow needs of the District for its ongoing referendum project. Bonds were issued in August 2015 to pay off the notes.

Long-term liabilities decreased mainly due to the payment of bonds and capital leases during the current fiscal year offset by the new capital lease in the amount of \$1,200,000.

Restricted net position increased mainly due to a transfer of unrestricted funds into the capital reserve account in the amount of \$1,500,000 in June of 2015.

Table 2 presents changes in net position for the years ended June 30, 2015 and 2014:

Table 2
Changes in Net Position
Year ended June 30,

	2015			2014		
	Governmental Activities	Business- type Activities	Total	Governmental Activities	Business- type Activities	Total
Revenues:						
Program revenues:						
Charges for services	\$ 450,323	\$ 1,333,216	\$ 1,783,539	\$ 348,976	\$ 1,097,056	\$ 1,446,032
Operating grants and contributions	2,331,758		2,331,758	2,015,767		2,015,767
Capital grants and contributions	123,888		123,888	280,721		280,721
Total program revenues	2,905,969	1,333,216	4,239,185	2,645,464	1,097,056	3,742,520
General revenues:						
Property taxes	100,856,708		100,856,708	98,818,890		98,818,890
Federal aid not restricted to specific purposes	10,648		10,648	12,633		12,633
State aid not restricted to specific purposes	20,257,974		20,257,974	12,414,779		12,414,779
Interest earnings	23,943	768	24,711	61,224	693	61,917
Rental income	586,959		586,959	601,549		601,549
Miscellaneous	265,788		265,790	336,001		336,001
Total general revenues	122,002,020	768	122,002,788	112,245,076	693	112,245,769
Expenses:						
Instructional services	77,101,975		77,101,975	69,825,515		69,825,515
Support services	41,874,252	1,326,939	43,201,191	39,207,788	1,064,344	40,272,132
Charter Schools	35,575		35,575			
Interest on long-term debt	3,540,119		3,540,119	3,784,711		3,784,711
Total expenses	122,551,921	1,326,939	123,878,860	112,818,014	1,064,344	113,882,358
Change in net position	2,356,068	7,045	2,363,113	2,027,526	33,405	2,105,931
Net position – beginning of year	57,368,126	156,564	57,524,690	55,295,600	123,159	55,418,759
Restatement	(25,333,873)		(25,333,873)			
Net position – beginning of year (as restated)	32,034,253		32,034,253			
Net position – end of year	\$ 34,390,321	\$ 163,609	\$ 34,553,930	\$ 57,368,126	\$ 156,564	\$ 57,524,690

Property taxes made up 80.8% of revenues for governmental activities for the Livingston Board of Education for fiscal year 2015. Federal and state grants and unrestricted aid accounted for another 16.2% of revenue.

The total cost of all programs and services was \$123,878,860. Instruction comprised 62.2% 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 the recognition of less state revenue related to the New Jersey Schools Development Authority funding expended during the 2015 fiscal year as less funds were expended than in the prior year as the projects are nearing

completion. State aid increased mainly due to the State providing additional funding for the on behalf TPAF pension and post retirement than had been contributed in the prior year.

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

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

Financial Analysis of the District’s Funds

Governmental Funds

All 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 spendable resources. Such information is useful 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 \$6,028,772, assigned fund balances were \$670,709 and the unassigned fund balance was \$2,412,411 while the total fund balance was \$9,111,892 (B-1). For the year ended June 30, 2015, the District generated excess surplus in the amount of \$936,922.

Capital Projects Fund. The District expended capital project funds during the 2015 fiscal year and no new school bonds were issued during the 2015 fiscal year resulting in a decrease in fund balance resulting in a deficit fund balance at June 30, 2015. This deficit fund balance was liquidated with the issuance of \$8,500,000 of school bonds in August 2015.

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, 2015, and the amount and percentage of increases in relation to prior year revenues.

Revenue	Amount	Percent of Total	Increase from 2014	Percent of Increase
Local sources	\$102,232,632	86.1%	\$ 1,923,933	1.9%
State sources	14,892,199	12.5	1,992,079	15.4
Federal sources	1,663,626	1.4	136,985	8.9
Total	\$118,788,457	100.0%	\$4,052,997	3.5%

The increase in local revenue was due to mainly to an increase in the tax levy needed to fund the additional expenditures associated with higher operating costs to provide a thorough and efficient education to the District students and additional rental income.

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

The increase in federal sources is mainly attributable to additional Medicaid Assistance received in the current year.

The following schedule represents a summary of general fund, special revenue fund and debt service fund expenditures for the year ended June 30, 2015, and the percentage of increases in relation to prior year expenditures.

Expenditures	Amount	Percent of Total	Increase from 2014	Percent of Increase
Current expense:				
Instruction	\$54,582,112	46.1%	\$1,577,309	3.0%
Support services	53,481,747	45.1	2,153,483	4.2
Capital outlay	2,716,863	2.3	632,766	30.4
Charter schools	35,575	0.0	35,575	100.0
Debt service	7,689,577	6.5	584,435	8.2
Total	\$ 118,505,874	100.0%	\$4,983,568	4.4%

The overall increase in instruction and undistributed expenditures was the result of an increase in operating costs, including contractual salary and health benefit increases.

Capital outlay expenditures increased related to expenditures on construction projects.

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:

- Instruction – regular programs – a decrease of \$645,510 was mainly due to a decrease in salaries of teachers and general supplies.

- Special education – an increase of \$632,511 was mainly due to an increase in the number of teaching staff for in district special education programs and instructional aides.
- Other supplemental/at-risk programs-instruction – an increase of \$561,819 was mainly due to change in structure of the District’s ELA program reading specialists added to the elementary schools
- Unallocated benefits – health benefits – a decrease of \$660,955 was mainly attributable to the increase of premiums being unknown at time of budget adoption and the actual premium increase was less than anticipated.

Capital Assets

At the end of fiscal year 2015, the District had \$154,224,292 invested in land, land improvements, construction in progress, building and building improvements, machinery, equipment and vehicles, net of accumulated depreciation.

The following presents a comparison for 2015 and 2014:

Capital Assets (Net of Depreciation)

	Year Ended June 30,	
	Governmental Activities	
	2015	2014
Land	\$ 3,253,263	\$ 3,253,263
Construction in progress	13,444,580	2,074,875
Land improvements	804,620	761,477
Building and building improvements	134,073,054	136,955,134
Machinery, equipment and vehicles	2,648,775	2,861,072
Total	\$ 154,224,292	\$ 145,905,821

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

Debt Administration and Long-term Liabilities

At June 30, 2015, the District had \$100,969,296 of long-term liabilities. Of this amount, \$4,625,784 relates to compensated absences; \$1,359,372 relates to various capital leases payable; \$94,466,000 of serial bonds for school construction and renovation projects; and \$518,140 is for the unamortized premium on bonds.

In the 2013 fiscal year, the legal voters of the Township approved a referendum to provide funds for the construction of additions and renovations at Burnet Hill Elementary School, Collins Elementary School, Harrison Elementary School, Hillside Elementary School and Riker Hill Elementary School and ADA compliance improvements at Livingston High

School. The total cost of the project is \$18,200,000 and bonds and notes have been authorized for this amount. \$8,500,000 of bonds were issued during the 2014 fiscal year related to this referendum. The District issued \$4,300,000 of notes in June of 2015 and also issued grant anticipation notes in the amount of \$8,000,000 during the 2015 fiscal year. At June 30, 2015, there are bonds and notes authorized but not issued in the amount of \$10,610,849.

At June 30, 2015, the District's overall remaining limitation of indebtedness was \$182,628,183. 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, 2015.

Livingston Board of Education

Statement of Net Position

June 30, 2015

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Assets			
Cash and cash equivalents	\$ 8,631,480	\$ 319,600	\$ 8,951,080
Investments	60,950		60,950
Accounts receivable	7,502,873	9,315	7,512,188
Inventories		11,209	11,209
Restricted assets:			
Cash and cash equivalents	4,338,235		4,338,235
Capital assets, non depreciable	16,697,843		16,697,843
Capital assets, depreciable, net	137,526,449		137,526,449
Total assets	<u>174,757,830</u>	<u>340,124</u>	<u>175,097,954</u>
Deferred outflows of resources			
Pension deferrals	1,828,544		1,828,544
Unamortized deferred loss on refunding debt	492,170		492,170
Total deferred outflows of resources	<u>2,320,714</u>		<u>2,320,714</u>
Liabilities			
Accounts payable	1,591,505	123,601	1,715,106
Notes payable	12,300,000		12,300,000
Accrued interest payable	1,680,129		1,680,129
Intergovernmental payables:			
State	87,266		87,266
Unearned revenue		52,914	52,914
Net pension liability	23,617,336		23,617,336
Current portion of long-term obligations	5,019,335		5,019,335
Noncurrent portion of long-term obligations	95,949,961		95,949,961
Total liabilities	<u>140,245,532</u>	<u>176,515</u>	<u>140,422,047</u>
Deferred inflow of resources			
Pension deferrals	<u>2,442,691</u>		<u>2,442,691</u>
Net position			
Net investment in capital assets	58,372,950		58,372,950
Restricted for:			
Other purposes	6,028,772		6,028,772
Unrestricted (deficit)	(30,011,401)	163,609	(29,847,792)
Total net position	<u>\$ 34,390,321</u>	<u>\$ 163,609</u>	<u>\$ 34,553,930</u>

Livingston Board of Education

Statement of Activities

Year ended June 30, 2015

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	\$ 77,101,975	\$ 112,693	\$ 1,763,187		\$ (75,226,095)		\$ (75,226,095)
Support services:							
Attendance/social work	81,890				(81,890)		(81,890)
Health services	1,399,384				(1,399,384)		(1,399,384)
Other support services	10,309,217		568,571		(9,740,646)		(9,740,646)
Improvement of instruction	3,059,826				(3,059,826)		(3,059,826)
Other support: instructional staff	721,986				(721,986)		(721,986)
School library	1,684,934				(1,684,934)		(1,684,934)
General administration	1,434,998				(1,434,998)		(1,434,998)
School administration	6,170,061				(6,170,061)		(6,170,061)
Required maintenance of plant services	1,926,852				(1,926,852)		(1,926,852)
Operation of plant	7,824,561			\$ 123,888	(7,700,673)		(7,700,673)
Student transportation	3,523,893	337,630			(3,186,263)		(3,186,263)
Central services	2,024,454				(2,024,454)		(2,024,454)
Administrative information technology	1,712,196				(1,712,196)		(1,712,196)
Charter Schools	35,575				(35,575)		(35,575)
Interest on long-term debt	3,540,119				(3,540,119)		(3,540,119)
Total governmental activities	122,551,921	450,323	2,331,758	123,888	(119,645,952)		(119,645,952)
Business-type activities							
Food service	1,326,939	1,333,216				\$ 6,277	6,277
Total business-type activities	1,326,939	1,333,216				6,277	6,277
Total primary government	\$ 123,878,860	\$ 1,783,539	\$ 2,331,758	\$ 123,888	(119,645,952)	6,277	(119,639,675)
General revenues:							
Property taxes, levied for general purposes					94,517,808		94,517,808
Property taxes, levied for debt service					6,338,900		6,338,900
Unrestricted federal sources					10,648		10,648
Unrestricted state sources					20,257,974		20,257,974
Investment earnings					23,943	768	24,711
Rental income					586,959		586,959
Miscellaneous income					265,788		265,788
Total general revenues					122,002,020	768	122,002,788
Change in net position					2,356,068	7,045	2,363,113
Net position—beginning of year (as restated)					32,034,253	156,564	32,190,817
Net position—end of year					\$ 34,390,321	\$ 163,609	\$ 34,553,930

Fund Financial Statements

Governmental Funds

Livingston Board of Education
Governmental Funds

Balance Sheet

June 30, 2015

	Major Funds				Total Governmental Funds
	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	
Assets					
Cash and cash equivalents	\$ 3,468,273	\$ 3,815	\$ 5,071,712	\$ 87,680	\$ 8,631,480
Accounts receivable:					
State	1,165,080	7,699	5,845,039		7,017,818
Federal		453,937			453,937
Interfund	521,103		236,232		757,335
Other	31,118				31,118
Restricted assets:					
Cash and cash equivalents	4,338,235				4,338,235
Total assets	<u>\$ 9,523,809</u>	<u>\$ 465,451</u>	<u>\$ 11,152,983</u>	<u>\$ 87,680</u>	<u>\$ 21,229,923</u>
Liabilities and fund balances					
Liabilities:					
Accounts payable	\$ 175,685	\$ 78,399	\$ 251,533		\$ 505,617
Notes payable			12,300,000		12,300,000
Intergovernmental payables:					
State		87,266			87,266
Interfunds payable	236,232	299,786	221,317		757,335
Total liabilities	<u>411,917</u>	<u>465,451</u>	<u>12,772,850</u>		<u>13,650,218</u>
Fund balances:					
Restricted for:					
Capital reserve account	4,014,900				4,014,900
Emergency reserve account	323,335				323,335
Excess fund balance - prior year designated for subsequent years expenditures	753,615				753,615
Excess fund balance-current year	936,922				936,922
Debt service				\$ 87,680	87,680
Assigned to:					
Designated for subsequent years' expenditures	546,385				546,385
Other purposes	124,324				124,324
Unassigned (deficit)	2,412,411		(1,619,867)		792,544
Total fund balances	<u>9,111,892</u>	<u>-</u>	<u>(1,619,867)</u>	<u>87,680</u>	<u>7,579,705</u>
Total liabilities and fund balances	<u>\$ 9,523,809</u>	<u>\$ 465,451</u>	<u>\$ 11,152,983</u>	<u>\$ 87,680</u>	<u>21,229,923</u>

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 \$200,443,817 and the accumulated depreciation is \$46,219,525.	154,224,292
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.	(1,680,129)
Solar renewable energy certificates were not available in the current period and therefore were not reported as assets in the funds.	60,950
Deferred pension costs in governmental activities are not financial resources and are therefore not reported in the funds.	(614,147)
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.	492,170
Net pension liability is not due and payable in the current period and therefore is not reported as a liability in the funds.	(23,617,336)
Accrued pension contributions for the June 30, 2015 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.	(1,085,888)
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.	<u>(100,969,296)</u>
Net position of governmental activities	<u><u>\$ 34,390,321</u></u>

Livingston Board of Education
Governmental Funds

Statement of Revenues, Expenditures and Changes in Fund Balances

Year ended June 30, 2015

	Major Funds				Total Governmental Funds
	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	
Revenues					
Local sources:					
Local tax levy	\$ 94,517,808			\$ 6,338,900	\$ 100,856,708
Tuition	112,693				112,693
Transportation fees from individuals	337,630				337,630
Interest on investments	7,187		\$ 16,756		23,943
Rental income	586,959				586,959
Miscellaneous	86,957	\$ 32,279		212,219	331,455
Total local sources	95,649,234	32,279	16,756	6,551,119	102,249,388
State sources	13,343,040	646,501	123,888	902,658	15,016,087
Federal sources	10,648	1,652,978			1,663,626
Total revenues	109,002,922	2,331,758	140,644	7,453,777	118,929,101
Expenditures					
Current:					
Instruction	46,513,036	1,763,187			48,276,223
Undistributed-current:					
Instruction	6,305,889				6,305,889
Attendance/social work	54,685				54,685
Health services	938,827				938,827
Support services	6,906,507	568,571			7,475,078
Improvement of instruction	2,057,792				2,057,792
School library	1,169,916				1,169,916
Instructional staff training	524,358				524,358
General administration	1,192,799				1,192,799
School administration	4,239,852				4,239,852
Required maintenance of plant services	1,249,197				1,249,197
Operation of plant	5,575,230				5,575,230
Student transportation	2,925,012				2,925,012
Central services	1,477,090				1,477,090
Administrative information technology	1,286,725				1,286,725
Unallocated benefits	13,492,494				13,492,494
On-behalf TPAF social security and pension contributions	9,822,692				9,822,692
Capital outlay	2,716,863		11,679,425		14,396,288
Charter Schools	35,575				35,575
Debt service:					
Principal				4,005,000	4,005,000
Interest				3,684,577	3,684,577
Total expenditures	108,484,539	2,331,758	11,679,425	7,689,577	130,185,299
Excess (deficiency) of revenues over (under) expenditures	518,383	-	(11,538,781)	(235,800)	(11,256,198)
Other financing sources (uses):					
Capital leases (non-budgeted)	1,200,000				1,200,000
Transfers in	16,756		185,832		202,588
Transfers out	(185,832)		(16,756)		(202,588)
Total other financing sources (uses)	1,030,924		169,076	-	1,200,000
Net change in fund balances	1,549,307	-	(11,369,705)	(235,800)	(10,056,198)
Fund balances, July 1	7,562,585	-	9,749,838	323,480	17,635,903
Fund balances (deficit), June 30	\$ 9,111,892	\$ -	\$ (1,619,867)	\$ 87,680	\$ 7,579,705

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

Livingston Board of Education
Governmental Funds

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

Year ended June 30, 2015

Total net change in fund balances - governmental funds (from B-2)		\$ (10,056,198)
Amounts reported for governmental activities in the statement of activities (A-2) are different because:		
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital additions exceeded depreciation expense in the period.		
	Capital additions	\$ 12,408,954
	Depreciation expense	<u>(4,090,483)</u>
		8,318,471
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.		141,089
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.		5,081,484
In the statement of net position and statement of activities the investment value of solar renewable energy certificates are presented at market value, and not portrayed in the governmental funds. This amount reflects the net change in value at June 30, 2015.		(33,388)
The issuance of capital leases proceeds provides current financial resources to governmental funds and has no effect on net position.		(1,200,000)
Governmental funds report the effect of premiums on bonds and deferred interest costs when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.		3,369
Certain expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds. Pension expense accrual basis adjustment		16,502
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).		84,739
Change in net position of governmental activities (A-2)		<u><u>\$ 2,356,068</u></u>

Enterprise Fund

Livingston Board of Education
Enterprise Fund

Statement of Net Position

June 30, 2015

	Major Fund
	Food Service
Assets	
Current assets:	
Cash and cash equivalents	\$ 319,600
Accounts receivable:	
Other	9,315
Inventories	11,209
Total current assets	340,124
Non-current assets:	
Capital assets:	
Equipment	122,491
Accumulated depreciation	(122,491)
Total capital assets, net	-
Total assets	340,124
Liabilities	
Current liabilities:	
Accounts payable	123,601
Unearned revenue	52,914
Total current liabilities	176,515
Net position	
Unrestricted	163,609
Total net position	\$ 163,609

Livingston Board of Education
Enterprise Fund

Statement of Revenues, Expenses and
Changes in Fund Net Position

Year ended June 30, 2015

	Major Fund
	Food Service
Operating revenues:	
Local sources:	
Daily food sales-reimbursable programs	\$ 1,272,992
Special event income	60,224
Total operating revenues	1,333,216
Operating expenses:	
Salaries	441,368
Employee benefits	75,055
Supplies and materials	98,971
Purchased property services	104,991
Other purchased services	11,039
Cost of sales	552,411
Management fee	33,597
Miscellaneous	9,507
Total operating expenses	1,326,939
Operating income	6,277
Nonoperating revenues:	
Interest	768
Total nonoperating revenues	768
Change in net position	7,045
Total net position-beginning	156,564
Total net position-ending	\$ 163,609

Livingston Board of Education
Enterprise Fund

Statement of Cash Flows

Year ended June 30, 2015

	Major Fund
	Food Service
Cash flows from operating activities	
Receipts from customers	\$ 1,348,026
Payments to employees and for employee benefits	(516,423)
Payments to suppliers	(796,159)
Net cash provided by operating activities	35,444
Cash flows from investing activities	
Interest received	768
Net cash provided by investing activities	768
Net increase in cash and cash equivalents	36,212
Cash and cash equivalents, beginning of year	283,388
Cash and cash equivalents, end of year	\$ 319,600
Reconciliation of operating income to net cash provided by operating activities	
Operating income	\$ 6,277
Adjustments to reconcile operating income to net cash provided by operating activities:	
Change in assets and liabilities:	
Increase in accounts receivable	(4,800)
Increase in inventory	(2,506)
Increase in accounts payable	16,863
Increase in unearned revenue	19,610
Net cash provided by operating activities	\$ 35,444

Fiduciary Funds

Livingston Board of Education
Fiduciary Funds

Statement of Fiduciary Net Position

June 30, 2015

	Unemployment Compensation Trust	Agency Fund
	<u>Trust</u>	<u>Agency Fund</u>
Assets		
Cash and cash equivalents	\$ 282,632	\$ 2,728,311
Total assets	<u>282,632</u>	<u>\$ 2,728,311</u>
Liabilities		
Payroll deductions and withholdings payable		\$ 571,302
Summer escrow payable		1,740,256
Accounts payable	16,986	
Due to student groups		416,753
Total liabilities	<u>16,986</u>	<u>\$ 2,728,311</u>
Net position		
Held in trust for unemployment claims	<u>\$ 265,646</u>	

Livingston Board of Education
Fiduciary Funds

Statement of Changes in Fiduciary Net Position

Year ended June 30, 2015

	<u>Unemployment Compensation Trust</u>
Additions	
Interest income	\$ 430
Board contributions	100,000
Employee contributions	96,313
Total additions	<u>196,743</u>
Deductions	
Unemployment claims paid	<u>97,199</u>
Total deductions	<u>97,199</u>
Change in net position	99,544
Net position-beginning of the year	<u>166,102</u>
Net position-end of the year	<u><u>\$ 265,646</u></u>

Livingston Board of Education

Notes to the Basic Financial Statements

Year ended June 30, 2015

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.

The more significant of the District's accounting policies are described below.

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, 2015

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. For the most part, the effect of interfund activity has been removed from these statements. 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 has deemed all funds to be major for consistency of reporting.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available

Livingston Board of Education

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2015

1. Summary of Significant Accounting Policies (continued)

when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers all revenues to be available if they are collected within sixty days of the end of the current fiscal year. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, unfunded pension liabilities and capital leases, are recorded only when payment is due.

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

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 subfund.

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

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

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.

Livingston Board of Education

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2015

1. Summary of Significant Accounting Policies (continued)

The District reports the following major proprietary fund:

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

Additionally, the District reports the following fund types:

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

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

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

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

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

Livingston Board of Education

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2015

1. Summary of Significant Accounting Policies (continued)

The District reports unearned revenue on its balance sheet and statement of net position. Unearned revenue arises when a potential revenue does not meet both the “measurable” and “available” criteria for recognition in the current period. Unearned revenue also arises when resources are received by the District before it has legal claim to them, as when federal assistance is received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the District has a legal claim to the resources, the liability for unearned revenue is removed from the balance sheet and statement of net position and revenue is recognized.

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

D. Budgets/Budgetary Control

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue and debt service funds. The budgets are submitted to the county superintendent and approved by the Department of Education. Budgets are prepared using the modified accrual basis of accounting and the special revenue fund uses a non-GAAP budget (budgetary basis). The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referred in N.J.A.C. 6A:23. All budget amendments must be approved by School Board resolution. The over-expenditures related to on-behalf payments in the general fund are due to the inclusion of the non-budgeted on-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.

Livingston Board of Education

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2015

1. Summary of Significant Accounting Policies (continued)

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

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

E. Cash, Cash Equivalents and Investments

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

Investments are stated at fair value in accordance with Governmental Accounting Standards Board (GASB) Statement No. 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools." 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.

G. Inventories

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

Livingston Board of Education

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2015

1. Summary of Significant Accounting Policies (continued)

H. Capital Assets

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

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

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

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

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, 2015, the amount earned by these employees and not disbursed as of June 30, 2015 was \$1,740,256 and is included in liabilities-summer escrow payable in the fiduciary fund.

Livingston Board of Education

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2015

1. Summary of Significant Accounting Policies (continued)

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, 2015 amounted to \$63,849 and the remaining balance at June 30, 2015 is \$492,170.

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.

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.

Livingston Board of Education

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2015

1. Summary of Significant Accounting Policies (continued)

L. Compensated Absences (continued)

As of June 30, 2015, a liability existed for compensated absences in the government-wide financial statements in the amount of \$4,625,784.

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:

- 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.

Livingston Board of Education

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2015

1. Summary of Significant Accounting Policies (continued)

N. Fund Balances (continued)

- 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.

Of the \$9,111,892 of fund balance in the General Fund, \$4,014,900 has been restricted in the capital reserve account, \$323,335 has been restricted in an emergency reserve account, \$936,922 has been restricted for excess surplus-current year, \$753,615 has been restricted for prior year excess surplus that has been designated for subsequent year's expenditures, \$124,324 of outstanding encumbrances is assigned to other purposes, \$546,385 of fund balance has been assigned to designated for subsequent year's expenditures and \$2,412,411 is unassigned.

Livingston Board of Education

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2015

1. Summary of Significant Accounting Policies (continued)

O. Net Position

GASB Statement Number 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* established standards for reporting deferred outflows of resources, deferred inflows of resources and net position. The adoption of this statement resulted in a change in the presentation of the statement of net assets to what is now referred to as the statement of net position and the term “net assets” was changed to “net position” throughout the financial statements.

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

P. Management Estimates

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

Q. On-Behalf Payments

Revenues and expenditures of the general fund include payments made by the State of New Jersey social security and post-retirement pension and medical contributions for certified teachers and other members of the New Jersey Teachers Pension and Annuity Fund. Additionally, revenues and expenses related to on-behalf pension contributions in the government-wide financial statements have been increased by \$6,012,276 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, 2015

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, 2015 was \$1,690,537. Of this amount, \$753,615 has been appropriated in the 2015/16 budget and the remaining \$939,922 will be appropriated in the 2016/17 budget.

S. GASBs Implemented in the 2015 Fiscal Year

In June 2012, GASB issued Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* (“GASB No. 68”). The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency in employer and governmental nonemployer contributing entity financial reports and will enhance its value for assessing accountability and interperiod equity by requiring recognition of the entire net pension liability and a more comprehensive measure of pension expense. This Statement replaces the requirement of Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements that meet certain criteria. The requirements of Statements 27 and 50 remain applicable for pensions that are not covered by the scope of this Statement. This statement is effective for periods beginning after June 15, 2014.

In November 2013, GASB issued Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment to GASB Statement No. 68* (“GASB 71”). The objective of this Statement is to improve accounting and financial reporting by addressing an issue in Statement No. 68 concerning the

Livingston Board of Education

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2015

1. Summary of Significant Accounting Policies (continued)

transition provisions related to certain pension contributions made to defined benefit pension plans prior to the implementation of that Statement by employers and nonemployer contributing entities. The requirements of this Statement will eliminate the source of a potential understatement of restated beginning net position and expense in the first year of implementation of Statement No. 68. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability. Statement 68 requires a state or local government employer (or nonemployer contributing entity in a special funding situation) to recognize a net pension liability measured as of a date (the measurement date) no earlier than the end of its prior fiscal year. If a state or local government employer or nonemployer contributing entity makes a contribution to a defined benefit pension plan between the measurement date of the reported net pension liability and the end of the government's reporting period, Statement 68 requires that the government recognize its contribution as a deferred outflow of resources.

In addition, Statement 68 requires recognition of deferred outflows of resources and deferred inflows of resources for changes in the net pension liability of a state or local government employer or nonemployer contributing entity that arise from other types of events. At transition to Statement 68, if it is not practical for an employer or nonemployer contributing entity determine the amounts of all deferred outflows of resources and deferred inflows of resources related to pensions, paragraph 137 of Statement 68 required that beginning balances for deferred outflows of resources and deferred inflows of resources not be reported. Consequently, if it is not practical to determine the amounts of all deferred outflows of resources and deferred inflows of resources related to pensions, contributions made after the measurement date of the beginning net pension liability could not have been reported as deferred outflows of resources at transition. This could have resulted in a significant understatement of an employer or nonemployer contributing entity's beginning net position and expense in the initial period of implementation.

This Statement amends paragraph 137 of Statement 68 to require that, at transition, a government recognize a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability. Statement 68, as amended, continues to require that beginning balances for other deferred outflows of resources and deferred inflows of resources related to pensions be reported at transition only if it is practical to determine all such amounts.

Livingston Board of Education

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2015

1. Summary of Significant Accounting Policies (continued)

T. GASB to be Implemented in the 2016 Fiscal Year

In February, 2015, GASB issued Statement No. 72, *Fair Value Measurement and Application* ("GASB 72"). The objective of this Statement is to provide guidance for applying fair value for certain assets and liabilities and disclosures related to all fair value measurements. The requirements of this Statement mandate the use of valuation techniques that are appropriate under the circumstances and for which sufficient data are available to measure fair value. The requirements of this Statement will enhance comparability of financial statements among governments by requiring measurement of certain assets and liabilities at fair value using a consistent and more detailed definition of fair value and accepted valuation techniques. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2015. The District has not completed the process of evaluating the impact that will result from adopting GASB No. 72.

U. Subsequent Events

Management has reviewed and evaluated all events and transactions that occurred from June 30, 2015 through December 18, 2015, the date that the financial statements were issued, for possible disclosure and recognition in the financial statements, and no items have come to the attention of the District that would require disclosure other than the following:

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

In August 2015, the District issued \$61,010,000 of refunding bonds to provide resources to advance refund all of the outstanding callable principal amount of the originally issued \$8,000,000 school bonds dated June 15, 2006, advance refund all of the outstanding callable principal amount of the originally issued \$43,521,000 school bonds dated October 9, 2007, currently refund all of the outstanding callable principal amount of the originally issued \$28,075,000 school bonds (Build America Bonds-Direct Pay) dated August 10, 2010 and to pay costs of issuance. As a result, \$66,526,000 of refunded

Livingston Board of Education

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2015

1. Summary of Significant Accounting Policies (continued)

U. Subsequent Events (continued)

bonds are considered defeased and the liability has been removed from the basic financial statements in the 2016 fiscal year. This advance refunding was undertaken to reduce the total debt service payments over the next fifteen years by \$3,571,994 and resulted in a net present value savings of \$2,605,807.

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 difference are as follows:

Bonds payable	\$ 94,466,000
Premium on bonds	518,140
Capital leases payable	1,359,372
Compensated absences	<u>4,625,784</u>
Net adjustment to reduce fund balance - total governmental funds to arrive at net position - governmental activities	<u>\$ 100,969,296</u>

3. Deposits and Investments

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.

Livingston Board of Education

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2015

3. Deposits and Investments (continued)

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 (NJCMF) and New Jersey Asset and Rebate Management Fund (NJARM).

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, 2015, the carrying amount of the District's deposits was \$16,156,980 and the bank balance was \$19,934,604. Of the bank balance, \$250,318 was

Livingston Board of Education

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2015

3. Deposits and Investments (continued)

secured by federal depository insurance The New Jersey governmental Unit Deposit Protection Act (GUDPA) covered the bank balance of \$16,348,470. \$3,335,816 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.

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, 2015, the District's investment balance of \$60,950 was in Solar Renewable Energy Certificates.

Livingston Board of Education

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2015

3. Deposits and Investments (continued)

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.

All investments in the Fund are governed by the regulations of the Investment Council, which prescribes specific standards designed to ensure the quality of investments and to minimize the risks related to investments. In all the years of the Division of Investment’s existence, the Division has never suffered a default of principal or interest on any short-term security held by it due to the bankruptcy of a securities issuer; nevertheless, the possibility always exists, and for this reason a reserve is being accumulated as additional protection for the “Other-than-State” participants. In addition to the Council regulations, the Division sets further standards for specific investments and monitors the credit of all eligible securities issuers on a regular basis. The District has investments in the New Jersey Cash Management Fund in the amount of \$143,278, which are classified as cash equivalents and are considered uncategorized.

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

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

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

Concentration of Credit Risk: The District places no limit on the amount the District may invest in any one issuer. At June 30, 2015, all of the District’s investments were invested in NJCMF.

Livingston Board of Education

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2015

4. Capital Assets

The following schedule is a summarization of the governmental activities changes in capital assets for the year ended June 30, 2015:

	Beginning Balance	Increases	Transfers	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Construction in progress	\$ 2,074,875	\$11,679,425	\$ (309,720)	\$ 13,444,580
Land	3,253,263			3,253,263
Total capital assets, not being depreciated	<u>5,328,138</u>	<u>11,679,425</u>	<u>(309,720)</u>	<u>16,697,843</u>
Capital assets, being depreciated:				
Land improvements	2,787,160	97,510		2,884,670
Buildings and building improvements	167,804,968	321,073	309,720	168,435,761
Machinery, equipment and vehicles	12,114,597	310,946		12,425,543
Total capital assets being depreciated	<u>182,706,725</u>	<u>729,529</u>	<u>309,720</u>	<u>183,745,974</u>
Less accumulated depreciation for:				
Land improvements	(2,025,683)	(54,367)		(2,080,050)
Buildings and building improvements	(30,849,834)	(3,512,873)		(34,362,707)
Machinery, equipment and vehicles	(9,253,525)	(523,243)		(9,776,768)
Total accumulated depreciation	<u>(42,129,042)</u>	<u>(4,090,483)</u>		<u>(46,219,525)</u>
Total capital assets, being depreciated, net	<u>140,577,683</u>	<u>(3,360,954)</u>		<u>137,216,729</u>
Governmental activities capital assets, net	<u>\$ 145,905,821</u>	<u>\$8,318,471</u>	<u>\$ -</u>	<u>\$ 154,224,292</u>

Livingston Board of Education

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2015

4. Capital Assets (continued)

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

Current:	
Instruction	\$ 2,330,102
Undistributed – current:	
Instruction	304,360
Attendance/social work	2,639
Health services	45,313
Support services	360,792
Improvement of instruction	99,321
Other support – instruction staff	25,309
School library	56,467
General administration	57,572
School administration	204,641
Required maintenance of plant services	60,294
Operation of plant	269,094
Student transportation	141,179
Central services	71,293
Administrative information technology	62,104
Total depreciation expense – governmental activities	<u>\$ 4,090,483</u>

The following is a summary of business-type activity changes in capital assets for the year ended June 30, 2015.

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

Livingston Board of Education

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2015

5. Long-Term Liabilities

During the year ended June 30, 2015, the following changes occurred in long-term liabilities:

	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Governmental activities:					
Compensated absences payable	\$ 4,710,522	\$ 139,956	\$ 224,694	\$ 4,625,784	\$ 203,285
Premium on bonds	585,358		67,218	518,140	67,218
Serial bonds payable	98,471,000		4,005,000	94,466,000	4,145,000
Obligations under capital leases	1,235,856	1,200,000	1,076,484	1,359,372	603,832
Governmental activities					
Long-term liabilities	<u>\$ 105,002,736</u>	<u>\$ 1,339,956</u>	<u>\$ 5,373,396</u>	<u>\$ 100,969,296</u>	<u>\$ 5,019,335</u>

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.

Bonds Payable

Bonds are authorized in accordance with State law or by the residents of the Township 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.

In December 2009, a referendum was approved by the residents of the Township for facility upgrades, HVAC installation and solar panels for each school at a total cost of \$64,684,477. Bonds were authorized by the referendum for a portion of the projects total cost. In August 2010, the District issued \$9,000,000 of tax-exempt school bonds and \$28,075,000 of Build America bonds. The Build America bonds are on the direct pay method and the District is responsible for the net interest payments which have been reduced by 35% under the Build America Bonds. The issuance of the Build America Bonds resulted in a savings of \$9,384,040 in interest over the life of the bonds, which represents the federal portion of the interest. Effective July 1, 2013, due to the federal sequestration the entire 35% net interest

Livingston Board of Education

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2015

5. Long-Term Liabilities (continued)

payment reduction was not covered by the federal government and continued into the 2014 fiscal year. The total amount of the net interest payment reduction was not significant and the amount of any future reductions in the federal share of the interest is not known. These bonds were refunded in August 2015.

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

At June 30, 2015, there are bonds and notes authorized but not issued in the amount of \$10,610,849.

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

	Principal	Interest	Total
Year ending June 30:			
2016	\$ 4,165,000	\$ 3,467,797	\$ 7,612,797
2017	4,300,000	3,335,891	7,635,891
2018	4,440,000	3,197,658	7,637,658
2019	4,545,000	3,047,318	7,592,318
2020	4,745,000	2,884,589	7,629,589
2021-2025	24,970,000	11,745,366	36,715,366
2026-2030	20,555,000	7,429,244	27,984,244
2031-2035	18,795,000	3,665,041	22,460,041
2036-2038	7,971,000	438,140	8,409,140
	\$ 94,466,000	\$ 39,211,044	\$ 133,677,044

Livingston Board of Education

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2015

5. Long-Term Liabilities (continued)

Bonds payable at June 30, 2015 are comprised of the following issues:

\$8,000,000, 2006 school bonds due in annual installments ranging from \$405,000 to \$605,000, through January 2026 at interest rates ranging from 4.10% to 4.125%.

\$43,521,000, 2007 school bonds are due in annual installments ranging from \$1,150,000 to \$2,000,000, through July 2037 at interest rates ranging from 4.25% to 4.50%.

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

\$28,075,000, 2010 Build America Bonds are due in annual installments ranging from \$1,600,000 to \$2,000,000 through July 2035 at interest rate ranging from 4.45% to 5.6%.

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

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

Capital Leases Payable

The District has remaining capital leases totaling \$1,359,372 with interest rates ranging from 1.06% to 5.60%. The terms of the leases are from three to fifteen years. The fifteen-year lease is for heating and electrical improvements in the schools. 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, 2015.

	<u>Amount</u>
Fiscal year:	
2016	\$ 622,736
2017	463,379
2018	<u>304,789</u>
Total minimum lease payments	1,390,904
Less amount representing interest	<u>(31,532)</u>
Present value of net minimum lease payments	<u>\$ 1,359,372</u>

Livingston Board of Education

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2015

5. Long-Term Liabilities (continued)

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, 2015 are as follows:

Machinery, equipment and vehicles	\$ 6,051,037
Less accumulated depreciation	<u>(5,452,615)</u>
Total	<u>\$ 598,423</u>

6. Pension Plans

Description of Systems

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

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

Livingston Board of Education

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2015

6. Pension Plans (continued)

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 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 over the next seven years 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

Livingston Board of Education

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2015

6. Pension Plans (continued)

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

During the year ended June 30, 2015, the State of New Jersey contributed \$6,403,971 to the TPAF for post-retirement medical contributions on behalf of the Board. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$3,418,721 during the year ended June 30, 2015 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, 2015, 2014 and 2013 were \$1,039,901, \$998,774 and \$1,004,737, respectively, equal to the required contributions for each year.

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

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, 2015, the District reported a liability of \$23,617,336 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation July 1, 2013, which was rolled forward to June 30, 2014. 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, 2014, the District's proportion was 0.1261425514 percent, which was a decrease of 0.0064123357 from its proportion measured as of June 30, 2013.

Livingston Board of Education

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2015

6. Pension Plans (continued)

For the year ended June 30, 2015, the District recognized full accrual pension expense of \$1,023,399 in the government-wide financial statements. At June 30, 2015, 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	\$ 742,656	-
Net difference between projected and actual earnings on pension plan investments	-	\$ 1,407,465
Changes in proportion and differences between District contributions and proportionate share of contributions	-	1,035,226
District contributions subsequent to the measurement date	1,085,888	-
	\$ 1,828,544	\$ 2,442,691

\$1,085,888 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:	
2016	\$ (376,097)
2017	(376,097)
2018	(376,097)
2019	(376,097)
2020	(24,232)
Thereafter	(171,415)
	\$ (1,700,035)

Livingston Board of Education

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2015

6. Pension Plans (continued)

Actuarial Assumptions

The total pension liability for the June 30, 2014 measurement date was determined by an actuarial valuation as of July 1, 2013, which was rolled forward to June 30, 2014. This actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

Inflation rate	3.01%
Salary increases	
2012-2021	2.15 - 4.40%
	based on age
Thereafter	3.15 - 5.40%
	based on age
Investment rate of return	7.90%

The actuarial assumptions used in the July 1, 2013 valuation were based on the results of an actuarial experience study for the period July 1, 2008 to June 30, 2011.

Mortality Rates

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

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.

Livingston Board of Education

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2015

6. Pension Plans (continued)

Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2014 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	6.00%	0.80%
Core Bonds	1.00%	2.49%
Intermediate-Term Bonds	11.20%	2.26%
Mortgages	2.50%	2.17%
High Yield Bonds	5.50%	4.82%
Inflation-Indexed Bonds	2.50%	3.51%
Broad US Equities	25.90%	8.22%
Developed Foreign Markets	12.70%	8.12%
Emerging Market Equities	6.50%	9.91%
Private Equity	8.25%	13.02%
Hedge Funds / Absolute Return	12.25%	4.92%
Real Estate (Property)	3.20%	5.80%
Commodities	2.50%	5.35%
	<u>100.00%</u>	

Discount rate

The discount rate used to measure the total pension liability was 5.39% as of June 30, 2014. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.90%, and a municipal bond rate of 4.29% as of June 30, 2014 based on the Bond Buyer GO 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years of contributions made in relation to the last five years of recommended contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2033. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2033, and the municipal

Livingston Board of Education

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2015

6. Pension Plans (continued)

bond rate was applied to projected benefit payments after that date in determining the total pension liability.

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

The following presents the District's proportionate share of the net pension liability as of June 30, 2014 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 (4.39 percent) or 1-percentage-point higher (6.39 percent) than the current rate:

	At 1% Decrease (4.39%)	At Current Discount Rate (5.39%)	At 1% Increase (6.39%)
District's proportionate share of the net pension liability	\$ 29,711,413	\$ 23,617,336	\$ 18,499,862

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 at June 30, 2014 are as follows:

Collective deferred outflows of resources	\$ 1,452,705,538
Collective deferred inflows of resources	\$ 2,146,719,012
Collective net pension liability - Local Group	\$ 18,722,735,003
District's Proportion	0.1261425514%

Collective pension expense for the Local Group for the measurement period ended June 30, 2014 is \$968,532,408.

Livingston Board of Education

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2015

6. Pension Plans (continued)

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, 2013 (the beginning of the measurement period ended June 30, 2014) is 6.44 years.

Teachers Pensions and Annuity Fund (TPAF)

The employer contributions for local participating employers are legally required to be funded by the State in accordance with N.J.S.A. 18:66-33. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the net pension liability that is associated with the local participating employer.

The State's proportionate share of the TPAF net pension liability associated with the District as of June 30, 2014 was \$230,744,995. The District's proportionate share was \$0.

The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2013, which was rolled forward to June 30, 2014. 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, 2014, the State's proportionate share of the TPAF net pension liability associated with the District was 0.4317288047 percent, which was a decrease of 0.0175468127 from its proportion measured as of June 30, 2013.

For the year ended June 30, 2015, the District recognized on-behalf pension expense and revenue in the government wide financial statements of \$12,416,247 for contributions incurred by the State.

Livingston Board of Education

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2015

6. Pension Plans (continued)

Actuarial assumptions

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

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

Mortality Rates

Mortality rates were based on the RP-2000 Health Annuitant Mortality Tables for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA. Pre-retirement mortality improvements for active members are projected using Scale AA from the base year of 2000 until the valuation date plus 15 years to account for future mortality improvement. Post-retirement mortality improvements for non-disabled annuitants are projected using Scale AA from the base year of 2000 for males and 2003 for females until the valuation date plus 7 years to account for future mortality improvement.

The actuarial assumptions used in the July 1, 2013 valuation were based on the results of an actuarial experience study for the period July 1, 2009 to June 30, 2012.

Long-Term Expected Rate of Return

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

Livingston Board of Education

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2015

6. Pension Plans (continued)

Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2014 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	6.00%	0.50%
Core Fixed Income	0.00%	2.19%
Core Bonds	1.00%	1.38%
Short-Term Bonds	0.00%	1.00%
Intermediate-Term Bonds	11.20%	2.60%
Long-Term Bonds	0.00%	3.23%
Mortgages	2.50%	2.84%
High Yield Bonds	5.50%	4.15%
Non-US Fixed Income	0.00%	1.41%
Inflation-Indexed Bonds	2.50%	1.30%
Broad US Equities	25.90%	5.88%
Large Cap US Equities	0.00%	5.62%
Mid Cap US Equities	0.00%	6.39%
Small Cap US Equities	0.00%	7.39%
Developed Foreign Equities	12.70%	6.05%
Emerging Market Equities	6.50%	8.90%
Private Equity	8.25%	9.15%
Hedge Fund / Absolute Return	12.25%	3.85%
Real Estate (Property)	3.20%	4.43%
Real Estate (REITS)	0.00%	5.58%
Commodities	2.50%	3.60%
Long Credit Bonds	0.00%	3.74%
	100.00%	

Livingston Board of Education

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2015

6. Pension Plans (continued)

Discount Rate

The discount rate used to measure the total pension liability was 4.68% as of June 30, 2014. This single blended discount rate was based on the long-term rate of return on pension plan investments of 7.90%, and a municipal bond rate of 4.29% as of June 30, 2014 based on the Bond Buyer GO 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2027. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2027, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

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

The following presents the State's proportionate share of the net pension liability associated with the District as of June 30, 2015 calculated using the discount rate as disclosed above as well as what the State's proportionate share of the net pension liability associated with the District would be if it were calculated using a discount rate that is 1-percentage-point lower (3.68 percent) or 1-percentage-point higher (5.68 percent) than the current rate:

	At 1% Decrease (3.68%)	At Current Discount Rate (4.68%)	At 1% Increase (5.68%)
State's proportionate share of the net pension liability associated with the District	\$ 277,525,616	\$ 230,744,995	\$ 191,835,755

Pension plan fiduciary net position

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

Livingston Board of Education

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2015

6. Pension Plans (continued)

Additional Information

Collective balances at June 30, 2014 are as follows:

Collective deferred outflows of resources	\$	2,389,959,068
Collective deferred inflows of resources	\$	1,846,540,800
Collective net pension liability - Local Group	\$	53,813,067,539
State's proportionate share associated with the District		0.4317288047%

Collective pension expense for the plan for the measurement period ended June 30, 2014 is \$2,906,835,786.

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, 2013 (the beginning of the measurement period ended June 30, 2014) is 8.5 years.

7. Post-Retirement Benefits

Plan Description

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

Livingston Board of Education

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2015

7. Post-Retirement Benefits (continued)

Funding Policy

P.L. 1987, c. 384 and P.L. 1990, c. 6 required Teachers' Pension and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c. 103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2014, there were 103,432 retirees receiving post-retirement medical benefits and the State contributed \$1.04 billion on their behalf. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post-retirement medical premiums changed from a pre-funding basis to a pay-as-you-go basis beginning in fiscal year 1994.

The State is also responsible for the cost attributable to P.L. 1992, c.126, which provides free health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$165.8 million toward Chapter 126 benefits for 18,122 eligible retired members in fiscal year 2014.

The State will set the contribution rate based on the *annual required contribution of the employers* (ARC), an amount actuarially determined in accordance with parameters of GASB 45. The ARC represents the level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The State's contributions to the SHBP Fund for TPAF retirees' post-retirement benefits on behalf of the District for the years ended June 30, 2015, 2014 and 2013 were \$3,929,007, \$2,994,592 and \$3,282,578, respectively, which equaled the required contributions for each year. The State's contributions to the SHBP Fund for PERS retirees' post-retirement benefits on behalf of the District was not determined or made available by the State of New Jersey.

Livingston Board of Education

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2015

8. Interfund Receivables and Payables

The total interfund accounts receivable and payable for the District at June 30, 2015 is as follows:

Fund	Interfund Receivable	Interfund Payable
General Fund	\$ 521,103	\$ 236,232
Special Revenue Fund		299,786
Capital Projects Fund	236,232	221,317
	<u>\$ 757,335</u>	<u>\$ 757,335</u>

The interfund between the general fund and special revenue fund 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 payable between the capital projects fund and general fund represents interest earned that was approved to be transferred to the general fund as well as repayments to the general fund of amounts that were previously paid in the general fund. All interfunds are expected to be liquidated within one year.

9. Economic Dependency

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

10. Contingent Liabilities

The District participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectibility of any related receivable at June 30, 2015 may be impaired. In addition, the District is receiving funding in the form of grants from the New Jersey Schools Development Authority (NJSDA) in connection with capital projects. The costs associated with the funding received from the NJSDA are subject to a final review of eligible costs and compliance by the New Jersey Department of Education and the NJSDA. To the extent that the District has not complied with the rules and regulations governing the NJSDA funds or has not met the final eligible costs requirements, refunds of any money received may be required and the collectibility of any related receivable at June 30, 2015 may be impaired. In the opinion of the District

Livingston Board of Education

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2015

10. Contingent Liabilities (continued)

management, there are no significant contingent liabilities relating to compliance with the rules and regulations or final eligible cost requirements governing the respective grants or funding; therefore, no provisions have been recorded in the accompanying basic financial statements for such contingencies.

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

11. Risk Management

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

Property and Liability Insurance

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

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.

Livingston Board of Education

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2015

12. Transfers - Reconciliation

	Transfers In	Transfers Out
General Fund	\$ 16,756	\$ 185,832
Capital Projects Fund	185,832	16,756
	<u>\$ 202,588</u>	<u>\$ 202,588</u>

The transfer from the general fund to the capital projects fund represents the local share of a NJSDA award. The transfer from the capital projects fund to the general fund represents interest earned as well as the repayment of expenditures made in the general fund that were related to the capital projects fund expenditures.

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 account are restricted to capital projects in the District's Long Range Facilities Plan (LRFP) and updated annually in the Quality Assurance Annual Report (QAAR). Upon submission of the LRFP to the Department of Education, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by Board resolution at year end (June 1 to June 30) of any unanticipated revenue or unexpended line-item appropriation amounts or both. A district may also appropriate additional amounts when the 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.

Livingston Board of Education

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2015

13. Capital Reserve Account (continued)

The activity of the capital reserve account for the July 1, 2014 to June 30, 2015 fiscal year is as follows:

Beginning balance, July 1, 2014	\$ 2,509,431
Deposits:	
Approved by June Board resolution	1,500,000
Interest	<u>5,469</u>
Ending balance, June 30, 2015	<u>\$4,014,900</u>

The June 30, 2015 capital reserve balance does not exceed local support costs identified in the District's Long Range Facility Plan at June 30, 2015. Of the balance at June 30, 2015, \$1,750,000 has been budgeted for use in the District's 2015-16 fiscal year

14. Restricted Assets

The District has \$4,338,235 of capital reserve and emergency reserve funds that are classified as restricted assets on the statement of net position because they are restricted by the New Jersey Department of Education codified in Administrative Code to be utilized for future capital projects that have been approved in the District's Long-Range Facility Plan and emergencies.

15. Commitments

The District has ongoing construction projects as of June 30, 2015 relating to the approved referendum projects. At June 30, 2015, the District's outstanding construction commitments amounted to \$3,417,738 are offset against an unassigned deficit of \$5,037,605 and are recorded as a component of fund balance restricted for capital projects on the balance sheet in the capital projects fund. This was the result of bonds that were not issued to date for the entire authorized referendum.

The District also has \$124,324 of contracts encumbered that are reported in the balance sheet of the general fund as assigned to other purposes.

16. Grant and Bond Anticipation Notes Payable

The District issued a grant anticipation note in the amount of \$8,000,000 (Interest rate of 1.00%). The note was for cash flow needs in the Capital Projects Fund and was renewed on September 24, 2014 and matured on September 24, 2015.

Livingston Board of Education

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2015

16. Grant and Bond Anticipation Notes Payable (continued)

The District issued a bond anticipation note in the amount of \$4,300,000 (Interest rate of 0.50%). The note was for cash flow needs in the Capital Projects Fund and was issued on June 25, 2015 and matured on August 25, 2015.

The following presents the changes from the prior year:

Beginning Balance	Increases	Decreases	Ending Balance
\$ 8,000,000	\$12,300,000	\$8,000,000	\$12,300,000

17. Deficit Fund Balance

The District has an accumulated deficit of \$1,651,970 in the Capital Projects Fund as of June 30, 2015. This deficit is the result of the District utilizing temporary financing to fund expenditures for certain capital projects. As the District permanently finances these appropriations, the District will realize as revenue the proceeds of the financing. This deficit does not indicate that the District is facing financial difficulties and is a permitted practice under generally accepted accounting principles.

18. Change in Accounting Principle / Restatement

Effective in the fiscal year ended June 30, 2015, the District implemented Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions* and Governmental Accounting Standards Board Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment to GASB Statement No. 68*. The implementation of the Statements required a restatement of prior year net position in the government-wide financial statements.

	Governmental Activities
Beginning Net Position - June 30, 2014	\$ 57,368,126
Adjustments:	
Recognition of Net Pension Liability	(25,333,873)
Deferred outflow for PERS FY2015 Pension Payment	1,039,901
Accounts Payable for PERS FY2015 Pension Payment	(1,039,901)
Adjustment	(25,333,873)
Beginning Net Position - June 30, 2014 (as restated)	\$ 32,034,253

Required Supplementary Information
Part II

Schedules Related to Accounting and Reporting
For Pensions

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

Last Ten Fiscal Years*

	Year Ended June 30, 2015
District's proportion of the net pension liability (asset) - Local Group	0.1261425534%
District's proportionate share of the net pension liability (asset)	\$ 23,617,336
District's covered-employee payroll	\$ 8,651,763
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	272.98%
Plan fiduciary net position as a percentage of the total pension liability - Local Group	52.08%

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

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

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

Last Ten Fiscal Years*

	Year Ended June 30, 2015
Contractually required contribution	\$ 1,085,888
Contributions in relation to the contractually required contribution	(1,085,888)
Contribution deficiency (excess)	\$ -
 District's covered-employee payroll	\$ 8,651,763
 Contributions as a percentage of covered-employee payroll	12.55%

* 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 the State's Proportionate Share of the Net Pension Liability Associated With the District
 Teachers' Pension and Annuity Fund

Last Ten Fiscal Years*

	Year Ended June 30, 2015
State's proportion of the net pension liability (asset) associated with the District - Local Group	0.4317288047%
District's proportionate share of the net pension liability (asset)	\$ -
State's proportionate share of the net pension liability (asset) associated with the District	\$ 230,744,995
Total proportionate share of the net pension liability (asset) associated with the District	\$ 230,744,995
Plan fiduciary net position as a percentage of the total pension liability	33.64%

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
Notes to Required Supplementary Information
Year ended June 30, 2015

PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Benefit Changes

There were none.

Changes of Assumptions

The discount rate changed from 5.55% as of June 30, 2013 to 5.39% as of June 30, 2014.

TEACHERS PENSION AND ANNUITY FUND

Benefit Changes

There were none.

Changes of Assumptions

The discount rate changed from 4.95% as of June 30, 2013 to 4.68% as of June 30, 2014.

Required Supplementary Information
Part III

Budgetary Comparison Schedules

Livingston Board of Education
General Fund

Budgetary Comparison Schedule
(Budgetary Basis)

Year ended June 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenues					
Local sources:					
Local tax levy	\$ 94,517,808		\$ 94,517,808	\$ 94,517,808	
Tuition	12,500		12,500	112,693	\$ 100,193
Transportation fees from individuals	250,000		250,000	337,630	87,630
Interest on investments	50,000		50,000	7,187	(42,813)
Rental income	450,000		450,000	586,959	136,959
Miscellaneous	140,000		140,000	86,957	(53,043)
Total - local sources	95,420,308		95,420,308	95,649,234	228,926
State sources:					
Extraordinary aid	300,000		300,000	971,648	671,648
On behalf TPAF pension contribution (non-budgeted)				6,403,971	6,403,971
Reimbursed TPAF social security (non-budgeted)				3,418,721	3,418,721
Additional nonpublic transportation aid				23,786	23,786
Transportation aid	211,108		211,108	211,108	
Security aid	91,185		91,185	91,185	
PARCC Readiness Aid	59,680		59,680	59,680	
Per Pupil Growth Aid	59,680		59,680	59,680	
Categorical Special education aid	2,114,543		2,114,543	2,114,543	
Total - state sources	2,836,196		2,836,196	13,354,322	10,518,126
Federal Sources:					
Medicaid Reimbursement	19,168		19,168	10,648	(8,520)
Total - federal sources	19,168		19,168	10,648	(8,520)
Total revenues	98,275,672		98,275,672	109,014,204	10,738,532
Expenditures					
Current expenditures:					
Instruction - regular programs:					
Salaries of teachers:					
Preschool	36,797	\$ 555	37,352	37,351	1
Kindergarten	1,622,456	(160,243)	1,462,213	1,462,213	
Grades 1-5	10,738,552	(452,286)	10,286,266	10,286,265	1
Grades 6-8	7,705,142	14,457	7,719,599	7,719,597	2
Grades 9-12	12,160,167	(226,445)	11,933,722	11,933,721	1
Home instruction:					
Salaries of teachers	100,000	45,166	145,166	145,166	
Purchased professional-educational services	23,000	65,000	88,000	86,906	1,094
Undistributed instruction:					
Other salaries for instruction	438,034	173,085	611,119	611,119	
Purchased professional-educational services	6,000	800	6,800	4,800	2,000
Purchased technical services	2,040		2,040	2,040	
Other purchased services	38,151	304,400	342,551	332,623	9,928
General supplies	1,571,927	(374,984)	1,196,943	1,135,872	61,071
Textbooks	326,125	(29,020)	297,105	293,456	3,649
Other objects	15,728	(5,995)	9,733	3,147	6,586
Total instruction - regular programs	34,784,119	(645,510)	34,138,609	34,054,276	84,333

Livingston Board of Education
General Fund

Budgetary Comparison Schedule
(Budgetary Basis)

Year ended June 30, 2015

	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	\$ 429,230	\$ (37,843)	\$ 391,387	\$ 391,386	\$ 1
Other salaries for instruction	2,203,584	170,274	2,373,858	2,373,857	1
General supplies	2,398		2,398	2,244	154
Total learning and/or language disabilities	2,635,212	132,431	2,767,643	2,767,487	156
Resource room/center:					
Salaries of teachers	4,067,254	211,000	4,278,254	4,277,309	945
General supplies	42,555	25,788	68,343	68,245	98
Total resource room/center	4,109,809	236,788	4,346,597	4,345,554	1,043
Autism:					
Salaries of teachers	314,260	63,213	377,473	377,472	1
Other Salaries for Instruction	312,498	166,033	478,531	478,531	
General supplies	22,237	(411)	21,826	17,816	4,010
Total autism	648,995	228,835	877,830	873,819	4,011
Preschool disabilities - full time					
Salaries of teachers	239,508	62,724	302,232	302,232	
Other salaries for instruction	89,033	(28,267)	60,766	60,765	1
General supplies	12,000		12,000	11,999	1
Total preschool disabilities-full time	340,541	34,457	374,998	374,996	2
Total special education	7,734,557	632,511	8,367,068	8,361,856	5,212
Bilingual education:					
Salaries of teachers	542,263	25,643	567,906	567,905	1
Total bilingual education	542,263	25,643	567,906	567,905	1
Basic skills/remedial instruction:					
Salaries of teachers	683,943	68,350	752,293	752,292	1
General supplies	4,530	(1,300)	3,230	272	2,958
Total basic skills/remedial instruction	688,473	67,050	755,523	752,564	2,959
Vocational programs - local instruction:					
Salaries of teachers	107,284	(7,464)	99,820	99,820	
Other purchased services	2,000		2,000		2,000
General supplies	8,000	(36)	7,964	6,885	1,079
Other objects	500		500		500
Total vocational programs - local instruction	117,784	(7,500)	110,284	106,705	3,579

Livingston Board of Education
General Fund

Budgetary Comparison Schedule
(Budgetary Basis)

Year ended June 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Expenditures (continued)					
Current expenditures (continued):					
School - sponsored cocurricular activities:					
Salaries	\$ 474,346	\$ (74,208)	\$ 400,138	\$ 400,137	\$ 1
Purchased services	10,265		10,265	8,430	1,835
Supplies and materials	27,200		27,200	22,816	4,384
Other objects	13,400		13,400	13,368	32
Total school - sponsored cocurricular activities	525,211	(74,208)	451,003	444,751	6,252
School - sponsored athletics - instruction:					
Salaries	779,032	12,605	791,637	791,637	
Purchased services	122,105		122,105	104,409	17,696
Supplies and materials	81,237	1,000	82,237	79,413	2,824
Other objects	23,850	(12,880)	10,970	7,872	3,098
Total school - sponsored athletics - instruction	1,006,224	725	1,006,949	983,331	23,618
Other instructional programs:					
Purchased services	50,000	(5,100)	44,900	44,090	810
Total other instructional programs	50,000	(5,100)	44,900	44,090	810
Other supplemental/at-risk programs-instruction:					
Salaries of reading specialists	635,739	561,819	1,197,558	1,197,558	
Total other supplemental/at-risk programs-instruction	635,739	561,819	1,197,558	1,197,558	
Total instruction	46,084,370	555,430	46,639,800	46,513,036	126,764
Undistributed expenditures:					
Instruction:					
Tuition to other LEAs within the state-special	1,322,972	(421)	1,322,551	1,318,443	4,108
Tuition to private school for the disabled - within state	4,567,659	228,104	4,795,763	4,783,502	12,261
Tuition to priv sch for the disabled & oth LEAs-Spl, O/S St	203,944		203,944	203,944	
Total undistributed instruction	6,094,575.00	227,683	6,322,258	6,305,889	16,369
Attendance and social work services:					
Salaries	66,441	(11,756)	54,685	54,685	
Total attendance and social work services	66,441	(11,756)	54,685	54,685	
Health services:					
Salaries	903,484	20,878	924,362	924,362	
Supplies and materials	18,252		18,252	14,465	3,787
Total health services	921,736	20,878	942,614	938,827	3,787

Livingston Board of Education
General Fund

Budgetary Comparison Schedule
(Budgetary Basis)

Year ended June 30, 2015

	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	\$ 929,888	\$ 64,828	\$ 994,716	\$ 994,715	\$ 1
Purchased professional - educational services	392,420	(79,000)	313,420	301,623	11,797
Supplies and materials	8,300		8,300	7,899	401
Total speech, OT, PT & related services	1,330,608	(14,172)	1,316,436	1,304,237	12,199
Other support services - students - extra services:					
Purchased professional - educational services	1,050,000	(189,000)	861,000	857,042	3,958
Total other support services - students - extra services	1,050,000	(189,000)	861,000	857,042	3,958
Guidance:					
Salaries of other professional staff	1,738,700	55,528	1,794,228	1,794,228	
Salaries of secretarial and clerical assistants	232,080	(20,416)	211,664	211,664	
Other purchased professional - technical services	11,302	(2,000)	9,302	5,677	3,625
Other purchased services	3,640		3,640	2,204	1,436
Supplies and materials	82,100	(50,000)	32,100	31,449	651
Total guidance	2,067,822	(16,888)	2,050,934	2,045,222	5,712
Child study teams:					
Salaries of other professional staff	2,287,425	(6,995)	2,280,430	2,280,430	
Salaries of secretarial and clerical assistants	222,256	2,556	224,812	224,812	
Purchased professional - educational services	100,000	(200)	99,800	97,021	2,779
Other purchased prof. and tech. services	27,500		27,500	27,392	108
Miscellaneous purchased serv.	5,000		5,000	3,937	1,063
Supplies and materials	32,352	32,266	64,618	58,968	5,650
Other objects	8,025		8,025	7,446	579
Total child study teams	2,682,558	27,627	2,710,185	2,700,006	10,179
Improvement of instructional services:					
Salaries of supervisors of instruction	1,319,377	(26,954)	1,292,423	1,292,423	
Salaries of other professional staff	299,475	(11,141)	288,334	288,334	
Salaries of secretaries and clerical assistants	194,585	5,078	199,663	199,663	
Salaries of facilitators, math & literacy coaches	274,645	(45,561)	229,084	229,084	
Purchased professional - educational services	26,700	(2,367)	24,333	22,154	2,179
Other purchased services	2,725		2,725	378	2,347
Supplies and materials	34,297	(1,000)	33,297	24,491	8,806
Other objects	7,300		7,300	1,265	6,035
Total improvement of instructional services	2,159,104	(81,945)	2,077,159	2,057,792	19,367

Livingston Board of Education
General Fund

Budgetary Comparison Schedule
(Budgetary Basis)

Year ended June 30, 2015

	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	\$ 1,048,983	\$ (28,216)	\$ 1,020,767	\$ 1,020,767	
Other purchased services	10,024	(5,000)	5,024	1,401	\$ 3,623
Supplies and materials	184,400	(28,000)	156,400	147,748	8,652
Other objects	315		315		315
Total educational media services/school library	1,243,722	(61,216)	1,182,506	1,169,916	12,590
Instructional staff training services:					
Salaries of supervisors of instruction	365,052	18,544	383,596	383,595	1
Purchased professional - educational services	20,000	90,664	110,664	101,929	8,735
Other purchased services	30,434		30,434	22,439	7,995
Supplies and materials	20,000	(7,724)	12,276	9,920	2,356
Other objects	8,000		8,000	6,475	1,525
Total instructional staff training services	443,486	101,484	544,970	524,358	20,612
Support services-general administration:					
Salaries	401,066	9,928	410,994	410,994	
Legal services	175,000	(15,000)	160,000	119,716	40,284
Audit Fees	57,000		57,000	57,000	
Other purchased prof. services	10,000		10,000	9,927	73
Purchased technical services	10,000		10,000	9,884	116
Communications/telephone	300,000	7,314	307,314	271,862	35,452
BOE other purchased services	1,000		1,000	177	823
Miscellaneous purchased services	280,500		280,500	213,712	66,788
General supplies	30,000		30,000	26,704	3,296
BOE In-house training	5,000		5,000	1,923	3,077
Miscellaneous expenditures	72,000		72,000	70,900	1,100
Total support services-general administration	1,341,566	2,242	1,343,808	1,192,799	151,009
Support services-school administration:					
Salaries of principals/ assistant principals	1,956,790	52,674	2,009,464	2,009,464	
Salaries of other professional staff	472,209	(3,444)	468,765	468,765	
Salaries of secretarial and clerical assistants	1,378,273		1,378,273	1,363,009	15,264
Purchased professional and technical services	34,500	21,290	55,790	53,544	2,246
Other purchased services	44,513	1,105	45,618	29,899	15,719
Supplies and materials	396,747	(67,634)	329,113	315,171	13,942
Total support services-school administration	4,283,032	3,991	4,287,023	4,239,852	47,171
Required maintenance for school facilities:					
Salaries	1,004,174	(110,000)	894,174	892,394	1,780
Cleaning, repair and maintenance services	244,740	(12,900)	231,840	225,228	6,612
General supplies	132,370	(147)	132,223	131,575	648
Total required maintenance for school facilities	1,381,284	(123,047)	1,258,237	1,249,197	9,040

Livingston Board of Education
General Fund

Budgetary Comparison Schedule
(Budgetary Basis)

Year ended June 30, 2015

	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	\$ 2,464,604	\$ 156,299	\$ 2,620,903	\$ 2,620,902	\$ 1
Purchased professional and technical services	35,000		35,000	32,680	2,320
Cleaning, repair and maintenance services	100,000		100,000	94,422	5,578
Rental of Land	17,500	99,509	117,009	116,858	151
Other purchased property services	70,000	(4,000)	66,000	63,552	2,448
Insurance	450,000	10,790	460,790	460,790	
General supplies	300,000	41,806	341,806	336,610	5,196
Energy (Natural Gas and Electricity)	1,750,000	(82,314)	1,667,686	1,607,890	59,796
Total custodial services	5,187,104	222,090	5,409,194	5,333,704	75,490
Operation and maintenance of plant services-					
care and upkeep of grounds:					
Salaries	62,008		62,008	61,181	827
Total care and upkeep of grounds	62,008		62,008	61,181	827
Security:					
Salaries	177,256	3,089	180,345	180,345	
Total security	177,256	3,089	180,345	180,345	
Total operation and maintenance of plant services	6,807,652	102,132	6,909,784	6,824,427	85,357
Student transportation services:					
Salaries for pupil transportation:					
Between home and school - regular	807,830		807,830	807,830	
Other than bet. home & sch - regular	269,907	(58,860)	211,047	211,047	
Contracted services:					
Bet. home & sch. - vendors	6,000	(6,000)			
Other than bet. home & sch - vendors	152,300	512	152,812	152,812	
Bet. Home & school -joint agreements	6,000	(500)	5,500	2,656	2,844
Special ed stds - vendors	1,350,000	(14,000)	1,336,000	1,335,422	578
Aid in lieu of payments	140,000	(30,000)	110,000	105,503	4,497
General supplies	240,000	66,106	306,106	306,004	102
Other objects	7,000	(1,631)	5,369	3,738	1,631
Total student transportation services	2,979,037	(44,373)	2,934,664	2,925,012	9,652
Undistributed expenditures - central services					
Salaries	1,078,206	(18,438)	1,059,768	1,059,768	
Purchased professional services	130,000	11,800	141,800	135,486	6,314
Misc purch serv	17,000	895	17,895	17,805	90
Supplies and materials	111,000	13,006	124,006	114,329	9,677
Interest for current loans	100,000	15,760	115,760	115,760	
Interest for lease purchase agreements	27,995		27,995	27,966	29
Miscellaneous expenditures	6,000		6,000	5,976	24
Total central services	1,470,201	23,023	1,493,224	1,477,090	16,134
Admin. info. tech.					
Salaries	790,349	18,530	808,879	808,879	
Purchased professional services	45,000	200	45,200	45,200	
Other purchased services	421,710		421,710	421,355	355
Supplies and materials	10,000	1,300	11,300	11,291	9
Total admin. info. tech.	1,267,059	20,030	1,287,089	1,286,725	364

Livingston Board of Education
General Fund

Budgetary Comparison Schedule
(Budgetary Basis)

Year ended June 30, 2015

	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	\$ 1,300,000	\$ 51,421	\$ 1,351,421	\$ 1,351,421	
Other retirement contributions - PERS	1,280,000	(177,463)	1,102,537	1,052,532	\$ 50,005
Other retirement contributions - Regular		112,000	112,000	89,972	22,028
Worker's compensation	635,000	14,662	649,662	649,662	
Health benefits	10,942,004	(660,955)	10,281,049	10,110,654	170,395
Unemployment compensation	100,000		100,000	100,000	
Tuition reimbursement	141,690	450	142,140	138,253	3,887
Total unallocated benefits	14,398,694	(659,885)	13,738,809	13,492,494	246,315
On-behalf TPAF pension contribution (non-budgeted)				6,403,971	(6,403,971)
Reimbursed TPAF social security contributions (non-budgeted)				3,418,721	(3,418,721)
Total on-behalf payments				9,822,692	(9,822,692)
Total undistributed expenditures	50,607,293	(550,145)	50,057,148	59,219,065	(9,161,917)
Total expenditures - current	96,691,663	5,285	96,696,948	105,732,101	(9,035,153)
Capital outlay:					
Equipment:					
Regular programs - instruction:					
Grades 9-12	3,304		3,304	3,304	
Undistributed expenditure -instruction	10,000	6,880	16,880	16,880	
Non Instructional Services:					
School Buses	150,000		150,000	127,151	22,849
Noninstructional services	74,000		74,000	13,362	60,638
Total equipment	237,304	6,880	244,184	160,697	83,487
Facilities acquisition and construction services:					
Lease purchase agreements-principal	772,346		772,346	771,696	650
Construction services	1,770,050	29,136	1,799,186	515,736	1,283,450
Other objects-assessment of debt service	68,734		68,734	68,734	
Total facilities acquisition and construction services	2,611,130	36,016	2,640,266	1,356,166	1,284,100
Capital leases (unbudgeted)				1,200,000	(1,200,000)
Total expenditures - capital outlay	2,848,434	36,016	2,884,450	2,716,863	167,587
Transfer of funds to charter schools	35,575		35,575	35,575	
Total expenditures	99,575,672	41,301	99,616,973	108,484,539	(8,867,566)
(Deficiency) excess of revenues (under) over expenditures	(1,300,000)	(41,301)	(1,341,301)	529,665	1,870,966
Other financing sources (uses):					
Capital outlay transfer to capital projects fund		(185,832)	(185,832)	(185,832)	
Assets acquired under capital leases (non-budgeted)				1,200,000	1,200,000
Capital projects fund transfer to capital outlay				16,756	16,756
Total other financing sources (uses)		(185,832)	(185,832)	1,030,924	1,216,756
(Deficiency) excess of revenues (under) over expenditures and other financing sources (uses)	(1,300,000)	(227,133)	(1,527,133)	1,560,589	3,087,722
Fund balances, July 1	7,787,280		7,787,280	7,787,280	
Fund balances, June 30	\$ 6,487,280	\$ (227,133)	\$ 6,260,147	\$ 9,347,869	\$ 3,087,722

Livingston Board of Education
General Fund

Budgetary Comparison Schedule
(Budgetary Basis)

Year ended June 30, 2015

	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	\$ (1,300,000)		\$ (1,300,000)	\$ 270,966	\$ 1,570,966
Capital outlay transfer to capital projects fund - transfer out		\$ (185,832)	(185,832)	(185,832)	
Capital projects fund transfer to capital outlay				16,756	16,756
Increase in capital reserve				1,500,000	1,500,000
Adjustment for prior year encumbrances		(41,301)	(41,301)	(41,301)	
Total	\$ (1,300,000)	\$ (227,133)	\$ (1,527,133)	\$ 1,560,589	\$ 3,087,722
Recapitulation of fund balance:					
Year end encumbrances - assigned				\$ 124,324	
Emergency reserve account - restricted				323,335	
Excess fund balance-prior year - restricted				753,615	
Excess fund balance-current year-restricted				936,922	
Capital reserve account - restricted				4,014,900	
Designated for subsequent years' expenditures - assigned				546,385	
Unassigned				2,648,388	
Total fund balance (budgetary basis)				9,347,869	
Reconciliation to Government Funds Statements GAAP:					
Last state aid payments not recognized on GAAP basis				(235,977)	
Fund balance per Government Funds (GAAP)				<u>\$ 9,111,892</u>	

Livingston Board of Education
Special Revenue Fund

Budgetary Comparison Schedule
(Budgetary Basis)

Year ended June 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenues:					
State sources	\$ 733,767		\$ 733,767	\$ 646,501	\$ (87,266)
Federal sources	1,653,892		1,653,892	1,652,978	(914)
Other sources	<u>32,279</u>		<u>32,279</u>	<u>32,279</u>	
Total revenues	<u>2,419,938</u>		<u>2,419,938</u>	<u>2,331,758</u>	<u>(88,180)</u>
Expenditures:					
Current expenditures:					
Instruction:					
Salaries	568,759		568,759	568,759	
Other purchased services	532,863		532,863	532,863	
Supplies and materials	61,784		61,784	61,740	44
Textbooks	52,253		52,253	51,418	835
Other objects	<u>634,794</u>		<u>634,794</u>	<u>548,407</u>	<u>86,387</u>
Total instruction	<u>1,850,453</u>		<u>1,850,453</u>	<u>1,763,187</u>	<u>87,266</u>
Support services:					
Benefits	30,021		30,021	30,021	
Purchased professional and educational / technical services	507,185		507,185	506,271	914
General supplies	<u>32,279</u>		<u>32,279</u>	<u>32,279</u>	
Total support services	<u>569,485</u>		<u>569,485</u>	<u>568,571</u>	<u>914</u>
Total expenditures	<u>2,419,938</u>		<u>2,419,938</u>	<u>2,331,758</u>	<u>88,180</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Livingston Board of Education
Note to Required Supplementary Information

Budget to GAAP Reconciliation

Year ended June 30, 2015

	General Fund	Special Revenue Fund
Sources/inflows of resources		
Actual amounts (budgetary basis) "revenue" from the Budgetary Comparison Schedule (C-1, C-2)	\$ 109,014,204	\$ 2,331,758
Differences - Budgetary to GAAP:		
State aid payments are recognized for budgetary purposes, not recognized for GAAP statements.		
Prior year	224,695	
Current year	(235,977)	
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds (B-2)	<u>\$ 109,002,922</u>	<u>\$ 2,331,758</u>
Uses/outflows of resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule (C-1, C-2)	<u>\$ 108,484,539</u>	<u>\$ 2,331,758</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (B-2)	<u>\$ 108,484,539</u>	<u>\$ 2,331,758</u>

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, 2015

	Nonpublic Aid					Title I A	Title II A	Title III	Title III
	Text- books	Tech- nology	Nursing	Auxiliary	Handicapped	Current	Current	Current	Immigrant Current
Revenues:									
State sources	\$ 51,418	\$ 46,676	\$ 143,035	\$ 49,193	\$ 356,179				
Federal sources						\$ 134,507	\$ 71,426	\$ 20,973	\$ 9,064
Local sources									
Total revenues	<u>\$ 51,418</u>	<u>\$ 46,676</u>	<u>\$ 143,035</u>	<u>\$ 49,193</u>	<u>\$ 356,179</u>	<u>\$ 134,507</u>	<u>\$ 71,426</u>	<u>\$ 20,973</u>	<u>\$ 9,064</u>
Expenditures:									
Instruction:									
Salaries						\$ 104,486			
Other purchased services									
Supplies and materials		\$ 46,676						\$ 6,000	\$ 9,064
Textbooks	\$ 51,418								
Other objects			\$ 143,035	\$ 49,193	\$ 356,179				
Total instruction	<u>51,418</u>	<u>46,676</u>	<u>143,035</u>	<u>49,193</u>	<u>356,179</u>	<u>104,486</u>		<u>6,000</u>	<u>9,064</u>
Undistributed:									
Support services:									
Benefits						30,021			
Purchased professional and educational/ technical services							\$ 71,426	14,973	
General supplies									
Total support services						<u>30,021</u>	<u>71,426</u>	<u>14,973</u>	
Total expenditures	<u>\$ 51,418</u>	<u>\$ 46,676</u>	<u>\$ 143,035</u>	<u>\$ 49,193</u>	<u>\$ 356,179</u>	<u>\$ 134,507</u>	<u>\$ 71,426</u>	<u>\$ 20,973</u>	<u>\$ 9,064</u>

Livingston Board of Education
Special Revenue Fund

Combining Schedule of Program Revenues and Expenditures –
Budgetary Basis

Year ended June 30, 2015

	I.D.E.I.A			NJSBAIG	LEF	Totals
	Part B Basic CO	Part B Basic	Preschool Current	Grant Current	Grant Current	
Revenues:						
State sources						\$ 646,501
Federal sources	\$ 110,885	\$ 1,254,306	\$ 51,817			1,652,978
Local sources				\$ 21,694	\$ 10,585	32,279
Total revenues	<u>\$ 110,885</u>	<u>\$ 1,254,306</u>	<u>\$ 51,817</u>	<u>\$ 21,694</u>	<u>\$ 10,585</u>	<u>\$ 2,331,758</u>
Expenditures:						
Instruction:						
Salaries		\$ 430,773	\$ 33,500			\$ 568,759
Other purchased services		532,863				532,863
Supplies and materials						61,740
Textbooks						51,418
Other objects						548,407
Total instruction		<u>963,636</u>	<u>33,500</u>			<u>1,763,187</u>
Undistributed:						
Support services:						
Health benefits						30,021
Purchased professional and educational/ technical services	\$ 110,885	290,670	18,317			506,271
General supplies				\$ 21,694	\$ 10,585	32,279
Total support services	<u>110,885</u>	<u>290,670</u>	<u>18,317</u>	<u>21,694</u>	<u>10,585</u>	<u>568,571</u>
Total expenditures	<u>\$ 110,885</u>	<u>\$ 1,254,306</u>	<u>\$ 51,817</u>	<u>\$ 21,694</u>	<u>\$ 10,585</u>	<u>\$ 2,331,758</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, 2015

	Current Year
Revenues and other financing sources	
Interest on investments	\$ 16,756
State Sources - SDA Grant	123,888
Transfer from Capital Outlay	185,832
Total revenues	326,476
Expenditures	
Purchased professional and technical services	1,090,458
Construction services	10,588,967
Total expenditures	11,679,425
Deficiency of revenues under expenditures	(11,352,949)
Other financing (uses):	
Transfers out	(16,756)
Total other financing (uses)	(16,756)
Deficiency of revenues and other financing sources (under) expenditures and other financing (uses)	(11,369,705)
Fund Balance, July 1	13,839,384
Fund Balance, June 30	\$ 2,469,679
 <u>Reconciliation of budgetary basis to GAAP basis:</u>	
Fund balance, budgetary basis, June 30, 2015	\$ 2,469,679
Less: Revenue not recognized on a GAAP basis	(4,089,546)
Fund balance (deficit), GAAP basis, June 30, 2015	\$ (1,619,867)

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, 2015

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources				
State Sources - SDA Grant	\$ 22,398,628	\$ 123,888	\$ 22,522,516	\$ 22,522,516
Bond proceeds and transfers	97,096,000		97,096,000	112,006,849
Contribution from private sources				
Transfer from capital reserve				
Transfer from capital outlay		185,832	185,832	
Total revenues	<u>119,494,628</u>	<u>309,720</u>	<u>119,804,348</u>	<u>\$ 134,529,365</u>
Expenditures and other financing uses				
Purchased professional and technical services	8,787,577	1,090,458	9,878,035	
Land and improvements				
Construction services	96,580,460	10,588,967	107,169,427	
Equipment				
Transfers out	68,496		68,496	
Bond issuance costs				
	218,711		218,711	
Total expenditures and other financing uses	<u>105,655,244</u>	<u>11,679,425</u>	<u>117,334,669</u>	
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 13,839,384</u>	<u>\$ (11,369,705)</u>	<u>\$ 2,469,679</u>	
Referendums				
Bonds Authorized	\$ 112,006,849			
Bonds Issued	97,096,000			
Original Authorized Cost	\$ 134,529,365			
Additional Authorized Cost	-			
Revised Authorized Cost	\$ 134,529,365			

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, 2015

	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><u>\$ 51,521,000</u></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, 2015

	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, 2015

	Prior Periods	Current Year	Totals	Revised Authorized Cost
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	805,856	-	805,856	\$ 932,250
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	493,023	-	493,023	
Excess (deficiency) of revenues over (under) expenditures	\$ 312,833	-	\$ 312,833	
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, 2015

	Prior Periods	Current Year	Totals	Revised Authorized Cost
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, 2015

	Prior Periods	Current Year	Totals	Revised Authorized Cost
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	199,011	-	199,011	\$ 214,453
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	171,168	-	171,168	
Excess (deficiency) of revenues over (under) expenditures	\$ 27,843	\$ -	\$ 27,843	
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, 2015

	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	860,098	-	860,098	\$ 995,000
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	685,322	-	685,322	
Excess (deficiency) of revenues over (under) expenditures	\$ 174,776	\$ -	\$ 174,776	
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, 2015

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources				
State Sources - SDA Grant	\$ 4,037,727		\$ 4,037,727	\$ 4,037,727
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	9,367,407	-	9,367,407	\$ 10,094,318
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	7,330,920	-	7,330,920	
Excess (deficiency) of revenues over (under) expenditures	\$ 2,036,487	\$ -	\$ 2,036,487	
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	-			
Revised Authorized Cost	\$ 10,094,318			
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, 2015

	Prior Periods	Current Year	Totals	Revised Authorized Cost
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, 2015

	Prior Periods	Current Year	Totals	Revised Authorized Cost
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	4,580,220	-	4,580,220	\$ 4,937,894
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	4,105,760	-	4,105,760	
Excess (deficiency) of revenues over (under) expenditures	\$ 474,460	\$ -	\$ 474,460	
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, 2015

	Prior Periods	Current Year	Totals	Revised Authorized Cost
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	3,548,353	-	3,548,353	\$ 3,823,706
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	2,888,180	-	2,888,180	
Excess (deficiency) of revenues over (under) expenditures	\$ 660,173	\$ -	\$ 660,173	
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, 2015

	Prior Periods	Current Year	Totals	Revised Authorized Cost
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	131,067	-	131,067	\$ 141,237
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	129,349	-	129,349	
Excess (deficiency) of revenues over (under) expenditures	\$ 1,718	\$ -	\$ 1,718	
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, 2015

	Prior Periods	Current Year	Totals	Revised Authorized Cost
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	913,692	-	913,692	\$ 1,057,000
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	677,130	-	677,130	
Excess (deficiency) of revenues over (under) expenditures	\$ 236,562	\$ -	\$ 236,562	
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, 2015

	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, 2015

	Prior Periods	Current Year	Totals	Revised Authorized Cost
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, 2015

	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, 2015

	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	5,810,569	-	5,810,569	\$ 6,262,595
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	5,004,976	-	5,004,976	
Excess (deficiency) of revenues over (under) expenditures	\$ 805,593	\$ -	\$ 805,593	
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, 2015

	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, 2015

	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, 2015

	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, 2015

	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>\$ 1,305,054</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, 2015

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources				
State Sources - SDA Grant				
Bond Proceeds and transfers	\$ 8,500,000		\$ 8,500,000	\$ 18,200,000
Contribution from Private sources				
Transfer from capital reserve				
Transfer from capital outlay				
Total revenues	<u>8,500,000</u>	<u>-</u>	<u>8,500,000</u>	<u>\$ 18,200,000</u>
Expenditures and Other Financing Uses				
Purchased professional and technical services	1,316,984	\$ 967,144	2,284,128	
Land and improvements				
Construction services	757,890	10,402,561	11,160,451	
Equipment				
Transfers Out				
Bond issuance costs	53,298		53,298	
Total expenditures and other financing uses	<u>2,128,172</u>	<u>11,369,705</u>	<u>13,497,877</u>	
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 6,371,828</u>	<u>\$ (11,369,705)</u>	<u>\$ (4,997,877)</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		62.47%		
Original target completion date		6/30/2016		
Revised target completion date		6/30/2016		

Livingston Board of Education
Capital Projects Fund

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

LHS Roof Part B

From Inception and for the year ended June 30, 2015

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

Livingston Board of Education
Capital Projects Fund

Summary Schedule of Project Expenditures
(Budgetary Basis)

Year ended June 30, 2015

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	55,996,572	45,824,827		10,171,745
Additions/renovations at Various Schools	18,200,000	2,128,172	11,369,705	4,702,123
LHS Roof Part B	309,720		309,720	-
Solar Panels	8,687,905	6,192,019		2,495,886
	<u>\$ 134,715,197</u>	<u>\$ 105,655,244</u>	<u>\$ 11,679,425</u>	<u>17,380,528</u>
Notes issued				(4,300,000)
Bonds and notes authorized and not issued				<u>(10,610,849)</u>
				<u>\$ 2,469,679</u>

Components of appropriations for referendum questions - high school renovations

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

Components of appropriations - Facility upgrades and HVAC

NJ Schools Development Authority	\$ 22,398,628
Bonds authorized 12/14/09	33,597,944
	<u>\$ 55,996,572</u>

Components of appropriations - Solar panels

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

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

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

Components of appropriations - LHS Roof Part B

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

Fiduciary Funds

Livingston Board of Education
Trust and Agency Funds

Combining Statement of Fiduciary Net Position

June 30, 2015

	<u>Trust</u>	<u>Agency</u>		<u>Total</u> <u>Agency</u>
	<u>Unemployment</u> <u>Compensation</u>	<u>Student</u> <u>Activity</u>	<u>Payroll</u>	
Assets				
Cash and cash equivalents	\$ 282,632	\$ 416,753	\$ 2,311,558	\$ 2,728,311
Total assets	<u>282,632</u>	<u>\$ 416,753</u>	<u>\$ 2,311,558</u>	<u>\$ 2,728,311</u>
Liabilities				
Payroll deductions and withholdings payable			\$ 571,302	\$ 571,302
Summer escrow payable			1,740,256	1,740,256
Accounts payable	16,986			
Due to student groups		\$ 416,753		416,753
Total liabilities	<u>16,986</u>	<u>\$ 416,753</u>	<u>\$ 2,311,558</u>	<u>\$ 2,728,311</u>
Net position				
Held in trust for unemployment claims	265,646			
Total net position	<u>\$ 265,646</u>			

Livingston Board of Education
Student Activity Agency Fund

Schedule of Cash Receipts and Cash Disbursements

Year ended June 30, 2015

	Balance			Balance
	July	Cash	Cash	June
	1, 2014	Receipts	Disbursements	30, 2015
Elementary schools:				
Burnet Hill	\$ 2,459	\$ 13,143	\$ 11,589	\$ 4,013
Riker Hill	4,869	33,124	32,530	5,463
Collins	8,186	12,896	15,361	5,721
Harrison	2,749	24,724	21,789	5,684
Hillside	5,503	13,586	18,400	689
Mount Pleasant	4,482	13,501	5,613	12,370
	<u>28,248</u>	<u>110,974</u>	<u>105,282</u>	<u>33,940</u>
Middle schools:				
Heritage	12,850	65,796	48,734	29,912
Mount Pleasant	26,429	16,827	11,364	31,892
	<u>39,279</u>	<u>82,623</u>	<u>60,098</u>	<u>61,804</u>
High school:				
Senior High School	420,297	585,010	685,900	319,407
Athletic account	740	106,603	105,741	1,602
	<u>421,037</u>	<u>691,613</u>	<u>791,641</u>	<u>321,009</u>
Total all schools	<u>\$ 488,564</u>	<u>\$ 885,210</u>	<u>\$ 957,021</u>	<u>\$ 416,753</u>

Livingston Board of Education
Payroll Agency Fund

Schedule of Cash Receipts and Cash Disbursements

Year ended June 30, 2015

	Balance July 1, 2014	Cash Receipts	Cash Disbursements	Balance June 30, 2015
Assets				
Cash and cash equivalents	\$ 2,019,020	\$ 73,793,935	\$ 73,501,397	\$ 2,311,558
Total assets	<u>\$ 2,019,020</u>	<u>\$ 73,793,935</u>	<u>\$ 73,501,397</u>	<u>\$ 2,311,558</u>
Liabilities				
Payroll deductions and withholdings	\$ 520,134	\$ 72,053,679	\$ 72,002,511	\$ 571,302
Summer escrow payable	1,498,886	1,740,256	1,498,886	1,740,256
Total liabilities	<u>\$ 2,019,020</u>	<u>\$ 73,793,935</u>	<u>\$ 73,501,397</u>	<u>\$ 2,311,558</u>

Long-Term Debt

Livingston Board of Education
Long-Term Debt

Schedule of Serial Bonds Payable

Year ended June 30, 2015

Issue	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance July 1, 2014	Retired	Balance June 30, 2015			
			Date	Amount							
High School Renovations	6/15/06	\$ 8,000,000	1/15/16	\$ 405,000	4.100%						
			1/15/17	420,000	4.100						
			1/15/18	440,000	4.100						
			1/15/19	455,000	4.100						
			1/15/20	475,000	4.100						
			1/15/21	495,000	4.100						
			1/15/22	515,000	4.100						
			1/15/23	535,000	4.100						
			1/15/24	560,000	4.125						
			1/15/25	580,000	4.125						
			1/15/26	605,000	4.125	\$ 5,875,000	\$ 390,000	\$ 5,485,000			
			High School Renovations	10/9/07	43,521,000	7/15/15	1,150,000	4.250			
						7/15/16	1,250,000	4.250			
7/15/17-7/15/21	1,250,000	4.500									
7/15/22	1,500,000	4.500									
7/15/23	1,600,000	4.500									
7/15/24	1,500,000	4.500									
7/15/25	1,600,000	4.500									
7/15/26	1,700,000	4.500									
7/15/27-7/15/30	1,750,000	4.500									
7/15/31-7/15/32	1,800,000	4.500									
7/15/33	1,900,000	4.500									
7/15/34-7/15/36	2,000,000	4.500									
7/15/37	1,971,000	4.500				38,121,000	1,100,000	37,021,000			
School Refunding Bonds	3/11/10	12,405,000	7/15/15	1,190,000	3.000						
			7/15/16	1,230,000	3.000						
			7/15/17	1,275,000	3.000						
			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	10,900,000	1,165,000	9,735,000			
			Renovations to Schools Build America Bonds	8/3/10	28,075,000	7/15/21	1,870,000	4.450			
						7/15/22	1,960,000	4.625			
7/15/23	2,000,000	4.750									
7/15/24	2,000,000	4.875									
7/15/25	2,000,000	4.950									
7/15/26	1,600,000	5.150									
7/15/27	1,650,000	5.300									
7/15/28	1,700,000	5.450									
7/15/29	1,750,000	5.450									
7/15/30	1,770,000	5.450									
7/15/31	1,850,000	5.600									
7/15/32	1,925,000	5.600									
7/15/33-7/15/35	2,000,000	5.600				28,075,000		28,075,000			
Renovations to Schools	8/3/10	9,000,000	7/15/15	1,000,000	2.000						
			7/15/16	1,000,000	2.000						
			7/15/17	1,000,000	2.000						
			7/15/18	1,000,000	2.125						
			7/15/19	1,000,000	2.350						
			7/15/20	1,000,000	2.500	7,000,000	1,000,000	6,000,000			
Renovations to Schools	10/1/13	8,500,000	8/1/15	400,000	2.000						
			8/1/16	400,000	2.000						
			8/1/17	475,000	2.000						
			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	8,500,000	350,000	8,150,000			
									<u>\$ 98,471,000</u>	<u>\$ 4,005,000</u>	<u>\$ 94,466,000</u>

Livinston Board of Education
Long-Term Debt

Schedule of Obligations Under Capital Leases

Year ended June 30, 2015

	Interest Rate	Amount of Original Issue	Balance July 1, 2014	Issued	Retired	Balance June 30, 2015
Carlyle	5.60%	\$ 2,228,031	\$ 204,539		\$ 204,539	
TD Bank	4.25%	1,250,000	264,787		264,787	
Suntrust Leasing	2.17%	750,000	308,633		152,660	\$ 155,973
U.S. Bancorp	1.06%	1,200,000		\$ 1,200,000	304,788	895,212
TD Bank	1.94%	750,000	457,897		149,710	308,187
			<u>\$ 1,235,856</u>	<u>\$ 1,200,000</u>	<u>\$ 1,076,484</u>	<u>\$ 1,359,372</u>

Livingston Board of Education
Debt Service Fund

Budgetary Comparison Schedule

Year ended June 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenues:					
Local sources:					
Miscellaneous-sale of SREC's				\$ 212,219	\$ 212,219
Local tax levy	\$ 6,338,900		\$ 6,338,900	6,338,900	
State sources:					
Debt service aid type II	902,658		902,658	902,658	
Total revenues	<u>7,241,558</u>		<u>7,241,558</u>	7,453,777	212,219
Expenditures:					
Principal on bonds	4,005,000		4,005,000	4,005,000	
Interest on bonds	3,647,350	\$ 37,228	3,684,578	3,684,577	1
Total expenditures	<u>7,652,350</u>	<u>37,228</u>	<u>7,689,578</u>	7,689,577	1
(Deficiency) Excess of revenues (under) over expenditures	<u>(410,792)</u>	<u>(37,228)</u>	<u>(448,020)</u>	(235,800)	212,220
Net change in fund balances	(410,792)	(37,228)	(448,020)	(235,800)	212,220
Fund balance, July 1	323,480		323,480	323,480	
Fund balance, June 30	<u>\$ (87,312)</u>	<u>\$ (37,228)</u>	<u>\$ (124,540)</u>	\$ 87,680	\$ 212,220

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,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Governmental activities at Government-wide level										
Net investment in capital assets	\$ 25,535,969	\$ 26,021,955	\$ 27,138,634	\$ 28,226,511	\$ 32,361,810	\$ 29,780,271	\$ 51,502,583	\$ 54,448,601	\$ 55,919,463	\$ 58,372,950
Restricted	468,379	1,639,337	3,266,572	2,081,718	2,083,754	9,634,285	1,797,535	2,603,315	4,402,174	6,028,772
Unrestricted (deficit)	(730,280)	(1,600,399)	(3,539,435)	(2,858,594)	(4,665,561)	(2,790,043)	(1,407,628)	(1,756,316)	(2,953,511)	(30,011,401)
Total governmental activities net position	<u>\$ 25,274,068</u>	<u>\$ 26,060,893</u>	<u>\$ 26,865,771</u>	<u>\$ 27,449,635</u>	<u>\$ 29,780,003</u>	<u>\$ 36,624,513</u>	<u>\$ 51,892,490</u>	<u>\$ 55,295,600</u>	<u>\$ 57,368,126</u>	<u>\$ 34,390,321</u>
Business-type activities at Government-wide level										
Unrestricted					\$ 37,129	\$ 101,382	\$ 117,150	\$ 123,159	\$ 156,564	\$ 163,609
Total business-type activities net position					<u>\$ 37,129</u>	<u>\$ 101,382</u>	<u>\$ 117,150</u>	<u>\$ 123,159</u>	<u>\$ 156,564</u>	<u>\$ 163,609</u>
Governmental activities at Government-wide level										
Net investment in capital assets	\$ 25,535,969	\$ 26,021,955	\$ 27,138,634	\$ 28,226,511	\$ 32,361,810	\$ 29,780,271	\$ 51,502,583	\$ 54,448,601	\$ 55,919,463	\$ 58,372,950
Restricted	468,379	1,639,337	3,266,572	2,081,718	2,083,754	9,634,285	1,797,535	2,603,315	4,402,174	6,028,772
Unrestricted (deficit)	(730,280)	(1,600,399)	(3,539,435)	(2,858,594)	(4,628,432)	(2,688,661)	(1,290,478)	(1,633,157)	(2,796,947)	(29,847,792)
Total governmental activities net position	<u>\$ 25,274,068</u>	<u>\$ 26,060,893</u>	<u>\$ 26,865,771</u>	<u>\$ 27,449,635</u>	<u>\$ 29,817,132</u>	<u>\$ 36,725,895</u>	<u>\$ 52,009,640</u>	<u>\$ 55,418,759</u>	<u>\$ 57,524,690</u>	<u>\$ 34,553,930</u>

Source: CAFR Schedule A-1 and District records.

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

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

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

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

	Year Ended June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Expenses										
Governmental activities										
Instruction	\$ 53,064,508	\$ 58,747,266	\$ 61,513,696	\$ 60,605,930	\$ 64,714,624	\$ 63,878,756	\$ 66,272,731	\$ 68,887,506	\$ 69,825,515	\$ 77,101,975
Support Services:										
Attendance and social work	290,034	338,011	349,537	336,610	101,614	111,223	87,045	83,146	68,300	81,890
Health services	1,100,148	1,204,217	1,276,774	1,276,809	1,315,293	1,155,226	1,250,211	1,293,287	1,297,647	1,399,384
Other support services	7,640,319	7,722,403	7,568,944	8,027,094	8,749,413	8,527,200	8,969,414	8,902,828	9,723,856	10,309,217
Improvement of instruction	1,849,209	1,893,851	1,630,791	1,672,833	2,239,925	2,287,581	2,474,874	2,460,982	2,565,356	3,059,826
Other support instructional staff	529,806	578,156	541,990	519,445	430,135	618,138	602,057	578,017	616,615	721,986
School library	1,303,401	1,418,986	1,489,935	1,496,265	1,420,543	1,402,614	1,534,227	1,590,230	1,599,911	1,684,934
General administration	1,700,653	1,782,990	1,983,217	1,664,847	1,614,441	1,501,121	1,602,967	1,620,516	1,746,326	1,434,998
School administration	4,758,884	5,144,824	5,301,362	5,275,513	5,490,678	5,330,008	5,319,153	5,641,806	5,725,353	6,170,061
Required maintenance of plant	2,493,301	1,629,792	1,728,144	1,672,944	1,806,197	1,548,439	1,679,427	1,656,110	1,779,831	1,926,852
Operation of plant	4,726,966	5,156,209	5,678,215	6,114,877	6,361,609	6,452,481	6,743,825	6,787,794	7,325,687	7,824,561
Student transportation	3,000,060	3,519,539	3,594,490	3,623,878	3,517,749	2,859,259	3,327,734	3,680,205	3,401,837	3,523,893
Central services				1,812,960	1,877,854	1,813,338	1,805,295	2,031,579	1,810,997	2,024,454
Administrative information technology				1,030,394	1,001,413	1,099,190	1,334,838	1,566,865	1,546,072	1,712,196
Business and other support services and benefits	2,668,306	2,627,678	3,422,862							
Capital outlay										
Charter Schools										35,575
Interest on long-term debt	822,413	1,045,333	2,185,319	3,283,557	2,731,585	3,534,830	3,759,553	3,498,671	3,784,711	3,540,119
Total governmental activities expenses	85,948,008	92,809,255	98,265,276	98,413,956	103,373,073	102,119,404	106,763,351	110,279,542	112,818,014	122,551,921
Business-type activities										
Food service				835,526	785,620	899,767	942,943	935,828	1,064,344	1,326,939
Total business-type activities				835,526	785,620	899,767	942,943	935,828	1,064,344	1,326,939
Total district expenses	\$ 85,948,008	\$ 92,809,255	\$ 98,265,276	\$ 99,249,482	\$ 104,158,693	\$ 103,019,171	\$ 107,706,294	\$ 111,215,370	\$ 113,882,358	\$ 123,878,860
Program Revenues										
Governmental activities:										
Charges for services:										
Instruction (tuition)	\$ 69,697	\$ 33,559	\$ 33,185	\$ 104,008	\$ 72,370	\$ 116,574	\$ 53,985	\$ 10,083	\$ 46,993	\$ 112,693
Pupil transportation	95,135	60,000	88,270	158,875	158,408	114,679	310,880	315,153	301,983	337,630
Operating grants and contributions	1,785,033	1,921,902	1,845,781	1,848,856	2,835,726	2,326,694	2,355,452	2,121,250	2,015,767	2,331,758
Capital grants and contributions	52,457		57,804	74,938	978,472	4,427,857	12,398,388	449,567	280,721	123,888
Total governmental activities program revenues	2,002,322	2,015,461	2,025,040	2,186,677	4,044,976	6,985,804	15,118,705	2,896,053	2,645,464	2,905,969
Business-type activities										
Charges for services										
Food service				803,166	822,498	955,095	946,322	941,083	1,097,056	1,333,216
Total business-type activities				803,166	822,498	955,095	946,322	941,083	1,097,056	1,333,216
Total district program revenues	\$ 2,002,322	\$ 2,015,461	\$ 2,025,040	\$ 2,989,843	\$ 4,867,474	\$ 7,940,899	\$ 16,065,027	\$ 3,837,136	\$ 3,742,520	\$ 4,239,185
Net (Expense)/Revenue										
Governmental activities	\$ (83,945,686)	\$ (90,793,794)	\$ (96,240,236)	\$ (96,227,279)	\$ (99,328,097)	\$ (95,133,600)	\$ (91,644,646)	\$ (107,383,489)	\$ (110,172,550)	\$ (119,645,952)
Business-type activities				(32,360)	36,878	55,328	3,379	5,255	32,712	6,277
Total district-wide net expense	\$ (83,945,686)	\$ (90,793,794)	\$ (96,240,236)	\$ (96,259,639)	\$ (99,291,219)	\$ (95,078,272)	\$ (91,641,267)	\$ (107,378,234)	\$ (110,139,838)	\$ (119,639,675)

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

	Year ended June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 71,786,923	\$ 74,542,669	\$ 79,251,361	\$ 82,421,415	\$ 85,302,647	\$ 88,714,753	\$ 90,069,759	\$ 90,955,519	\$ 92,768,603	\$ 94,517,808
Property taxes levied for debt service	1,800,724	1,820,867	1,841,682	2,065,063	4,352,410	4,293,987	5,065,306	5,433,634	6,050,287	6,338,900
Unrestricted grants and contributions	10,794,790	13,765,449	14,038,844	11,265,409	11,386,017	8,453,252	10,964,111	13,646,676	12,427,412	20,268,622
Investment earnings	372,177	851,502	1,438,113	485,083	34,904	65,852	96,553	38,900	61,224	23,943
Rental income	415,373	348,760	396,499	411,991	464,417	418,764	487,216	496,484	601,549	586,959
Miscellaneous income	133,959	251,372	78,615	194,190	118,070	40,180	241,280	215,386	336,001	265,788
Transfers				(32,008)		(8,678)	(11,602)			
Total governmental activities	<u>85,303,946</u>	<u>91,580,619</u>	<u>97,045,114</u>	<u>96,811,143</u>	<u>101,658,465</u>	<u>101,978,110</u>	<u>106,912,623</u>	<u>110,786,599</u>	<u>112,245,076</u>	<u>122,002,020</u>
Business-type activities:										
Interest earnings				352	251	247	787	754	693	768
Transfers				32,008		8,678	11,602			
Total business-type activities				<u>32,360</u>	<u>251</u>	<u>8,925</u>	<u>12,389</u>	<u>754</u>	<u>693</u>	<u>768</u>
Total district-wide	<u>\$ 85,303,946</u>	<u>\$ 91,580,619</u>	<u>\$ 97,045,114</u>	<u>\$ 96,843,503</u>	<u>\$ 101,658,716</u>	<u>\$ 101,987,035</u>	<u>\$ 106,925,012</u>	<u>\$ 110,787,353</u>	<u>\$ 112,245,769</u>	<u>\$ 122,002,788</u>
Change in Net Position										
Governmental activities	\$ 1,358,260	\$ 786,825	\$ 804,878	\$ 583,864	\$ 2,330,368	\$ 6,844,510	\$ 15,267,977	\$ 3,403,110	\$ 2,072,526	\$ 2,356,068
Business-type activities					37,129	64,253	15,768	6,009	33,405	7,045
Total district	<u>\$ 1,358,260</u>	<u>\$ 786,825</u>	<u>\$ 804,878</u>	<u>\$ 583,864</u>	<u>\$ 2,367,497</u>	<u>\$ 6,908,763</u>	<u>\$ 15,283,745</u>	<u>\$ 3,409,119</u>	<u>\$ 2,105,931</u>	<u>\$ 2,363,113</u>

Source: CAFR Schedule A-2 and District records.

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

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

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

	2006	2007	2008	2009	As of June 30, 2010	2011	2012	2013	2014	2015
General Fund										
Reserved	\$ 1,134,807	\$ 1,537,326	\$ 1,334,053	\$ 2,507,498	\$ 2,104,121					
Unreserved	2,619,285	2,116,018	2,482,800	2,177,784	1,225,531					
Restricted						\$ 1,529,895	\$ 1,787,522	\$ 2,603,315	\$ 4,402,174	\$ 6,028,772
Assigned						748,065	1,618,550	1,382,881	525,508	670,709
Unassigned						2,495,826	2,842,943	2,615,086	2,634,903	2,412,411
Total general fund	<u>\$ 3,754,092</u>	<u>\$ 3,653,344</u>	<u>\$ 3,816,853</u>	<u>\$ 4,685,282</u>	<u>\$ 3,329,652</u>	<u>\$ 4,773,786</u>	<u>\$ 6,249,015</u>	<u>\$ 6,601,282</u>	<u>\$ 7,562,585</u>	<u>\$ 9,111,892</u>
All Other Governmental Funds										
Unreserved, reported in:										
Capital projects fund (deficit)	\$ 7,514,999	\$ 3,197,968	\$ 28,528,904	\$ 2,888,407	\$ (596,959)					\$ (1,619,867)
Debt service fund		377,498	1,179,227				\$ 10,013	\$ 53,510	\$ 323,480	87,680
Restricted for capital projects						\$ 23,905,996	5,059,573	3,799,090	9,749,837	
Total all other governmental funds	<u>\$ 7,514,999</u>	<u>\$ 3,575,466</u>	<u>\$ 29,708,131</u>	<u>\$ 2,888,407</u>	<u>\$ (596,959)</u>	<u>\$ 23,905,996</u>	<u>\$ 5,069,586</u>	<u>\$ 3,852,600</u>	<u>\$ 10,073,317</u>	<u>\$ (1,532,187)</u>

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

	Years ended June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Revenues										
Tax levy	\$ 73,587,647	\$ 76,363,536	\$ 81,093,043	\$ 84,486,478	\$ 89,655,057	\$ 93,008,740	\$ 95,135,065	\$ 96,389,153	\$ 98,818,890	\$ 100,856,708
Tuition charges	69,697	33,559	33,185	104,008	72,370	116,574	53,985	10,083	46,993	112,693
Interest earnings	372,177	851,502	1,438,113	485,083	34,904	65,852	96,553	38,900	61,224	23,943
Rental income					464,417	418,764	487,216	496,484	601,549	586,959
Miscellaneous	644,467	660,132	563,384	765,056	276,478	154,859	410,544	389,913	780,894	636,806
State sources	11,525,008	14,394,143	14,701,036	11,905,239	12,852,852	13,348,247	23,681,722	14,600,118	13,180,841	15,016,087
Local sources	4,196	1,500	1,000	996	13,664	45,108	41,027	41,914	16,418	32,279
Federal sources	1,103,076	1,291,708	1,240,393	1,282,968	2,333,699	1,814,448	1,995,202	1,575,461	1,526,641	1,663,626
Total revenue	87,306,268	93,596,080	99,070,154	99,029,828	105,703,441	108,972,592	121,901,314	113,542,026	115,033,450	118,929,101
Expenditures										
Instruction										
Regular and Special Education Instruction	36,492,617	38,437,600	40,383,224	40,681,357	42,786,848	42,024,591	43,186,148	44,393,126	46,757,561	48,276,223
Undistributed:										
Instruction	4,692,136	5,153,028	5,377,117	5,866,152	6,810,121	7,490,876	7,131,761	7,205,470	6,247,242	6,305,889
Attendance and social work	215,156	237,866	246,212	246,405	73,647	81,403	62,593	58,889	49,494	54,685
Health services	818,692	850,440	902,524	937,304	956,004	849,055	901,743	919,492	944,287	938,827
Other support services	5,975,259	5,783,889	5,677,472	6,205,864	6,777,277	6,766,390	7,066,352	6,845,403	7,319,178	7,475,078
Improvement of instruction	1,386,702	1,348,685	1,175,439	1,239,693	1,637,143	1,687,413	1,792,477	1,757,197	1,870,400	2,057,792
School library	1,005,743	1,046,354	1,101,165	407,170	1,077,288	1,069,818	1,145,961	1,167,858	1,201,197	1,169,916
Instructional staff training	414,712	436,156	423,426	1,142,884	337,040	480,072	452,692	430,027	464,605	524,358
General administration	1,487,120	1,568,711	1,769,385	1,467,993	1,422,440	1,312,701	1,382,282	1,381,455	1,461,045	1,192,799
School administration	3,602,282	3,701,824	3,818,881	3,931,292	4,067,474	3,986,684	3,904,353	4,100,046	4,258,497	4,239,852
Required maintenance of plant	1,180,371	1,242,931	1,317,379	1,314,523	1,372,954	1,208,903	1,298,926	1,227,905	1,271,843	1,249,197
Operation of plant	4,009,678	4,250,394	4,703,725	5,146,113	5,153,046	5,349,562	5,458,252	5,315,576	5,600,664	5,575,230
Student transportation	2,634,017	3,066,686	3,091,127	3,176,225	3,061,159	2,549,481	2,935,670	3,189,477	2,929,453	2,925,012
Business and oth supp. svces & benefits	12,834,004	13,715,734	14,962,320	15,487,304	16,656,328	15,709,449	15,272,843	15,580,630	15,800,186	16,256,309
On Behalf TPAF social security & pension/medical contributions	6,245,873	9,091,174	9,230,834	5,846,472	6,290,285	6,105,549	7,302,384	9,437,008	8,157,415	9,822,692
Cost of issuance					144,797	96,800			53,298	
Capital outlay	3,156,443	6,683,486	20,704,375	28,507,302	8,255,244	19,167,762	34,168,616	4,707,251	4,860,773	14,396,288
Charter Schools										35,575
Debt service:										
Principal	1,015,000	1,055,000	900,000	1,130,000	2,180,000	2,340,000	2,385,000	3,160,000	3,585,000	4,005,000
Interest	820,947	765,867	1,310,295	3,465,062	2,880,139	2,565,316	4,152,840	3,574,080	3,520,142	3,684,577
Total expenditures	87,986,752	98,435,825	117,094,900	126,199,115	111,939,234	120,841,825	140,000,893	114,450,890	116,352,280	130,185,299
Excess (Deficiency) of revenues over (under) expenditures	(680,484)	(4,839,745)	(18,024,746)	(27,169,287)	(6,235,793)	(11,869,233)	(18,099,579)	(908,864)	(1,318,830)	(11,256,198)
Other Financing sources (uses)										
Capital leases (non-budgeted)	750,000	799,464	799,920	1,250,000	1,250,000	750,000	750,000			1,200,000
Bond proceeds	8,000,000		43,521,000			37,075,000			8,500,000	
Insurance recovery related to other costs of Super Storm Sandy								44,145		
Refunding bonds issued					12,405,000					
Premium on bonds issued					873,835				850	
Payment to refunding bond escrow agent					(13,134,038)					
Transfers in	2,749	377,498	1,101,729	610,052	15,290	53,849	815,679	424,584	18,119	234,691
Transfers out	(2,749)	(377,498)	(1,101,729)	(642,060)	(15,290)	(62,527)	(827,281)	(424,584)	(18,119)	(234,691)
Total other financing sources (uses)	8,750,000	799,464	44,320,920	1,217,992	1,394,797	37,816,322	738,398	44,145	8,500,850	1,200,000
Net change in fund balances	\$ 8,069,516	\$ (4,040,281)	\$ 26,296,174	\$ (25,951,295)	\$ (4,840,996)	\$ 25,947,089	\$ (17,361,181)	\$ (864,719)	\$ 7,182,020	\$ (10,056,198)
Debt service as a percentage of noncapital expenditures	2.2%	2.0%	2.3%	4.7%	4.9%	4.8%	6.2%	6.1%	6.4%	6.6%

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	Interest	Rentals	Transportation	Misc.	Total
2006	\$ 69,697	\$ 369,428	\$ 415,373	\$ 95,135	\$ 91,546	\$ 1,041,179
2007	33,559	474,004	348,760	60,000	251,372	1,167,695
2008	33,185	336,384	396,499	88,270	78,615	932,953
2009	104,008	80,877	411,991	158,875	194,190	949,941
2010	72,370	19,614	464,417	158,408	118,070	832,879
2011	116,574	12,003	418,764	114,679	40,180	702,200
2012	53,985	80,874	487,216	310,880	89,651	1,022,606
2013	10,083	32,812	496,484	315,153	74,760	929,292
2014	46,993	43,955	601,549	301,983	68,119	1,062,599
2015	112,693	7,187	586,959	337,630	86,957	1,131,426

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
2006	\$ 17,319,300	\$ 761,416,000	\$ 98,400	\$ 156,654,600	\$ 16,022,800		\$ 951,511,100	\$ 1,421,900	\$ 952,933,000	\$ 8.010
2007	18,823,400	777,972,000	92,400	152,816,100	16,022,800		965,732,700	1,232,000	966,964,000	8.390
2008	17,553,700	785,266,900	82,400	141,261,400	15,766,000		959,946,400	1,363,000	961,309,400	8.789
* 2009	202,453,000	5,983,723,300	740,300	1,285,906,400	121,672,600	\$ 2,658,800	7,597,154,400	12,139,900	7,609,294,300	1.178
2010	169,485,100	5,967,646,796	740,300	1,256,161,078	121,318,500	2,658,800	7,518,010,574	12,139,900	7,530,150,474	1.236
2011	163,904,500	5,947,204,496	740,300	1,206,463,078	115,804,400	2,658,800	7,436,775,574	12,139,900	7,448,915,474	1.277
2012	155,825,800	5,925,469,396	740,300	1,084,979,478	112,693,200	2,658,800	7,282,366,974	12,139,900	7,294,506,874	1.321
2013	142,157,500	5,938,761,771	740,300	1,032,942,678	97,978,100	2,658,800	7,215,239,149	11,213,456	7,226,452,605	1.368
2014	116,045,300	5,953,673,571	740,300	1,002,976,178	90,110,600	2,658,800	7,166,204,749	9,716,768	7,175,921,517	1.406
2015	105,448,800	5,976,634,671	740,300	977,333,378	90,641,900	2,658,800	7,153,457,849	9,528,870	7,162,986,719	1.452

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	
2006	\$ 7.80	\$ 0.21	\$ 8.01	\$ 2.03	\$ 2.90	\$ 12.94
2007	8.18	0.21	8.39	2.57	3.11	14.07
2008	8.58	0.21	8.79	2.79	3.19	14.77
2009 *	1.12	0.06	1.18	0.38	0.42	1.98
2010	1.18	0.06	1.24	0.39	0.41	2.04
2011	1.22	0.06	1.28	0.40	0.44	2.12
2012	1.26	0.06	1.32	0.41	0.47	2.20
2013	1.31	0.06	1.37	0.44	0.49	2.30
2014	1.35	0.06	1.41	0.45	0.53	2.38
2015	1.36	0.09	1.45	0.46	0.55	2.46

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	2015			2006		
	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	1.84%	\$ 28,864,100	1	3.03%
Livingston Circle Associates	38,000,000	2	0.53%	11,380,000	2	1.19%
CIT Group Inc.	31,992,000	3	0.45%	6,072,000	5	0.64%
Livingston Retirement Care Assoc.	30,250,300	4	0.42%	7,294,800	3	0.77%
Eastgreen, Inc.	30,175,000	5	0.42%	6,400,000	4	0.67%
Trustee Sears Facilities	29,469,900	6	0.41%			
Formosa Plastics, Corp., USA	28,000,000	7	0.39%	4,480,000	7	0.47%
Care Two, LLC	22,440,000	8	0.31%			
Allwood Associates	21,500,000	9	0.30%			
Esplanade Livingston, LLC	20,000,000	10	0.28%	4,000,000	8	0.42%
Marsag, L.P.	20,000,000	11	0.28%	3,530,000	10	0.37%
Northern LLC	19,786,600	12	0.28%	3,550,000	9	0.37%
Singer Enterprises LLC	16,055,300	13	0.22%			
St. Barnabas Medical Center	14,597,200	14	0.20%			
Cedar Hill Golf & Country Club	13,809,800	15	0.19%			
G&S Livingston Realty				4,481,400	6	0.47%
Total	\$ 468,076,100		6.52%	\$ 80,052,300		8.40%

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
2006	\$ 73,587,647	\$ 73,587,647	100.00%	-
2007	76,363,536	76,363,536	100.00%	-
2008	81,093,043	81,093,043	100.00%	-
2009	84,486,478	84,486,478	100.00%	-
2010	89,655,057	89,655,057	100.00%	-
2011	93,008,740	93,008,740	100.00%	-
2012	95,135,065	95,135,065	100.00%	-
2013	96,389,153	96,389,153	100.00%	-
2014	98,818,890	98,818,890	100.00%	-
2015	100,856,708	100,856,708	100.00%	-

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			Grant Anticipation Notes	Total District	Percentage of	
	General Obligation Bonds*	Capital Leases	Bond Anticipation Notes			Personal Income ^a	Per Capita ^a
2006	\$ 26,009,000	\$ 4,063,484	\$ 560,000		\$ 30,632,484	0.13%	\$ 40,634
2007	24,954,000	3,747,287	None		28,701,287	0.15%	43,951
2008	67,575,000	3,667,898	None		71,242,898	0.07%	46,895
2009	66,445,000	3,974,873	None		70,419,873	0.07%	50,156
2010	64,366,000	4,200,183	9,000,000		77,566,183	0.07%	51,617
2011	99,101,000	3,816,319	None		102,917,319	0.05%	51,617
2012	96,716,000	3,410,771	None	\$ 9,250,000	109,376,771	0.05%	59,342
2013	93,556,000	2,251,617	None	9,250,000	105,057,617	0.06%	60,577
2014	98,471,000	1,235,856	None	8,000,000	107,706,856	0.05%	54,879
2015	94,466,000	1,359,372	4,300,000	8,000,000	108,125,372	0.05%	54,606

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

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

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

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

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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding		Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds and Notes	Deductions			
2006	\$ 26,009,000		\$ 26,009,000	0.84%	\$ 40,634
2007	24,954,000		24,954,000	0.81%	43,951
2008	67,575,000		67,575,000	2.19%	46,895
2009	66,445,000		66,445,000	0.87%	50,156
2010	73,366,000		73,366,000	0.97%	51,617
2011	99,101,000		99,101,000	1.33%	51,617
2012	105,966,000		105,966,000	1.45%	59,342
2013	102,806,000		102,806,000	1.42%	60,577
2014	106,471,000	\$ 323,480	106,147,520	1.48%	54,879
2015	102,466,000	87,680	102,378,320	1.43%	54,606

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, 2015
Unaudited

	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable ^a</u>	<u>Share of Overlapping Debt</u>
Debt repaid with property taxes			
Livingston Township **	\$ 95,094,538	100.00%	\$ 95,094,538
County of Essex**	384,971,602	8.28%	31,875,649
Other debt			
Municipal Utilities Authority	<u>24,832,223</u>	100.00%	<u>24,832,223</u>
Subtotal, overlapping debt			151,802,410
Livingston Township School District Direct Debt*			<u>117,376,849</u>
Total direct and overlapping debt			<u><u>\$269,179,259</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 \$10,610,849.

** 2013 information (latest available).

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

Legal Debt Margin Calculation for Fiscal Year 2015

	Equalized valuation basis	
	2014	\$ 7,592,122,840
	2013	7,493,370,325
	2012	7,408,308,214
		<u>\$ 22,493,801,379</u>
	Average equalized valuation of taxable property	<u>\$ 7,497,933,793</u>
	Debt limit (4 % of average equalization value)	\$ 299,917,352
	Net bonded school debt	117,289,169
	Legal debt margin	<u>\$ 182,628,183</u>

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Debt limit	\$ 264,619,805	\$ 287,774,824	\$ 307,352,168	\$ 313,780,288	\$ 319,449,317	\$ 318,454,434	\$ 315,283,754	\$ 305,485,359	\$ 300,587,113	\$ 299,917,352
Total net debt applicable to limit	<u>70,090,069</u>	<u>68,475,069</u>	<u>67,575,000</u>	<u>66,445,000</u>	<u>106,651,849</u>	<u>104,311,849</u>	<u>111,176,849</u>	<u>126,216,849</u>	<u>121,058,369</u>	<u>117,289,169</u>
Legal debt margin	<u>\$ 194,529,736</u>	<u>\$ 219,299,755</u>	<u>\$ 239,777,168</u>	<u>\$ 247,335,288</u>	<u>\$ 212,797,468</u>	<u>\$ 214,142,585</u>	<u>\$ 204,106,905</u>	<u>\$ 179,268,510</u>	<u>\$ 179,528,744</u>	<u>\$ 182,628,183</u>
Total net debt applicable to the limit as a percentage of debt limit	26.49%	23.79%	21.99%	21.18%	33.39%	32.76%	35.26%	41.32%	40.27%	39.11%

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 \$10,610,849.

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

Year	Population ^a	Personal Income (thousands of dollars) ^b	Per Capita Personal Income ^c	Unemployment Rate ^d
2006	28,413	N/A	\$ 40,634	3.0%
2007	28,119	N/A	43,951	2.8%
2008	27,990	N/A	46,895	2.5%
2009	27,961	N/A	50,156	3.3%
2010	27,584	N/A	51,617	6.4%
2011	27,584	N/A	51,617	6.5%
2012	29,366	N/A	59,342	6.1%
2013	29,526	N/A	60,577	6.2%
2014	29,594	N/A	54,879	5.5%
2015	29,931	N/A	54,606	4.5%

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>	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Instruction										
Regular	368	377	390	388	388	392	394	397	398	399
Special education	49	50	47	49	50	53	55	59	63	67
Support services										
Student & instruction related services	89	89	94	94	94	95	99	102	102	104
General administrative services	20	20	12	12	12	12	13	13	13	13
School administrative services	46	42	43	43	43	43	42	42	42	42
Business administrative services	10	10	13	13	13	13	12	12	12	12
Plant operations and maintenance	55	54	55	55	55	56	55	57	57	57
Pupil transportation	27	27	28	28	28	27	27	28	27	28
Total	664	669	682	682	683	691	697	710	714	722

Source: District Personnel Records

Livingston Board of Education
 Operating Statistics
 Last Ten Fiscal Years
 Unaudited

Fiscal Year	Enrollment	Operating Expenditures ^a	Cost Per Pupil	Percentage Change	Teaching Staff ^b	Pupil/Teacher Ratio			Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School	High School				
2006	5,333	\$ 82,994,362	\$ 15,562	3.35%	385	1:14	1:11	1:11	5,396	5,210	1.98%	96.55%
2007	5,540	89,931,472	16,233	4.31%	427	1:13	1:11	1:11	5,535	5,341	2.58%	96.50%
2008	5,650	94,180,230	16,669	2.69%	437	1:13	1:11	1:11	5,587	5,387	0.94%	96.42%
2009	5,672	93,096,751	16,413	-1.53%	437	1:13	1:11	1:11	5,672	5,438	1.52%	95.87%
2010	5,706	98,479,054	17,259	5.15%	437	1:13	1:11	1:11	5,695	5,485	0.41%	96.31%
2011	5,746	96,671,947	16,824	-2.52%	445	1:13	1:11	1:11	5,740	5,553	0.79%	96.74%
2012	5,734	99,294,437	17,317	2.93%	449	1:13	1:11	1:11	5,732	5,551	-0.14%	96.84%
2013	5,830	103,009,559	17,669	2.03%	456	1:13	1:11	1:11	5,802	5,594	1.22%	96.42%
2014	5,875	104,333,067	17,759	0.51%	461	1:13	1:11	1:11	5,871	5,690	1.19%	96.92%
2015	5,893	108,099,434	18,344	3.29%	461	1:13	1:11	1:11	5,880	5,692	0.15%	96.80%

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	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Elementary										
Burnet Hill Elementary										
Square Feet	51,521	51,521	51,521	51,521	51,521	51,521	51,521	51,521	51,521	51,521
Capacity (students)	412	412	412	412	412	412	412	412	412	412
Enrollment	427	437	416	435	452	432	413	454	440	464
Riker Hill Elementary										
Square Feet	48,279	48,279	48,279	48,279	48,279	48,279	48,279	48,279	48,279	48,279
Capacity (students)	386	386	386	386	386	386	386	386	386	386
Enrollment a	451	452	427	428	403	423	417	421	406	400
Collins Elementary										
Square Feet	48,589	48,589	48,589	48,589	48,589	48,589	48,589	48,589	48,589	48,589
Capacity (students)	389	389	389	389	389	389	389	389	389	389
Enrollment	431	426	419	415	413	427	424	432	452	453
Harrison Elementary										
Square Feet	64,555	64,555	64,555	64,555	64,555	64,555	64,555	64,555	64,555	64,555
Capacity (students)	516	516	516	516	516	516	516	516	516	516
Enrollment	529	525	531	536	549	535	528	517	485	487
Hillside Elementary										
Square Feet	45,168	45,168	45,168	45,168	45,168	45,168	45,168	45,168	45,168	45,168
Capacity (students)	361	361	361	361	361	361	361	361	361	361
Enrollment a	435	434	439	440	413	401	398	412	406	412
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	389	389	412	412	414	428	423	435	450	454
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	816	813	897	898	929	921	893	921	918	920
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)	667	667	667	687	687	687	687	687	687	687
Enrollment	421	421	452	451	451	435	477	425	471	476
High School										
Livingston High School										
Square Feet	213,351	213,351	213,351	302,127	302,127	302,127	302,127	302,127	302,127	302,127
Capacity (students)	1,413	1,413	1,413	1,736	1,736	1,736	1,736	1,736	1,736	1,736
Enrollment	1,644	1,643	1,657	1,657	1,682	1,744	1,761	1,813	1,847	1,827
Number of Schools at June 30, 2015										
High School = 1										
Elementary = 6										
Middle Schools = 2										

Source: District records, ASSA

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

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

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

School Facilities	Project # (s)	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Livingston High School	50	\$349,774	\$ 356,114	\$ 343,815	\$ 363,700	\$ 338,494	\$ 384,428	\$ 368,067	\$ 377,606	\$ 349,446	\$ 327,799
Heritage Middle School	55	237,347	241,650	233,302	246,796	229,692	260,860	249,759	247,135	237,309	226,555
Mt. Pleasant Middle School	60	162,396	165,340	159,628	168,860	157,157	178,484	170,888	168,668	160,925	155,053
Burnet Hill	70	87,444	89,029	85,953	90,925	84,623	96,108	92,018	91,852	86,391	81,157
Collins	80	74,952	76,311	73,674	77,936	77,936	82,377	78,871	78,576	77,337	71,782
Harrison	90	112,428	114,466	110,511	116,903	108,801	123,566	118,307	117,814	111,318	107,742
Hillside	100	74,952	76,311	73,674	77,936	77,936	82,377	78,871	78,576	72,744	71,481
Mt.Pleasant	110	74,952	76,311	73,674	77,936	77,936	82,377	78,871	78,576	74,457	70,892
Riker Hill	118	74,952	76,311	73,674	77,936	77,936	82,377	78,871	78,576	73,004	67,910
Total School Facilities		<u>\$1,249,197</u>	<u>\$ 1,271,843</u>	<u>\$ 1,227,905</u>	<u>\$ 1,298,926</u>	<u>\$ 1,208,903</u>	<u>\$ 1,372,954</u>	<u>\$ 1,314,523</u>	<u>\$ 1,317,379</u>	<u>\$ 1,242,931</u>	<u>\$ 1,180,371</u>

Source: District records of required maintenance.

Livingston Board of Education
Insurance Schedule
Year ended June 30, 2015
Unaudited

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

Source: District Records
N/D - No deductible

Single Audit Section

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

Independent Auditors' Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America; audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Livingston Board of Education, in the County of Essex, New Jersey (the "District") as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 18, 2015.

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.

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908.782.7300

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Bethlehem, PA 18018
484.821.5735

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

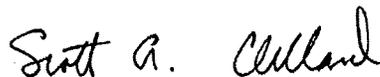
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

Compliance and Other Matters

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

Purpose of this Report

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



Scott A. Clelland
Licensed Public School Accountant
No. 1049



WISS & COMPANY, LLP

December 18, 2015
Iselin, New Jersey

Report on Compliance For Each Major Federal and State Program and
Report on Internal Control Over Compliance Required by OMB A-133 and New Jersey
OMB 15-08

Independent Auditors' Report

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

Report on Compliance for Each Major Federal and State Program

We have audited the Livingston Board of Education's, in the County of Essex, New Jersey (the "District") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the District's major federal and state programs for the year ended June 30, 2015. 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 the requirements of laws, regulations, contracts, and grants 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; OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*; and New Jersey

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OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards, OMB Circular A-133 and New Jersey OMB Circular 15-08 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal and state program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal and State Program

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2015.

Report on Internal Control Over Compliance

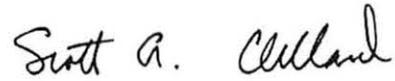
Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the 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 OMB Circular A-133 and New Jersey OMB Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

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

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

Purpose of the Report

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133 and New Jersey OMB Circular 15-08. Accordingly, this report is not suitable for any other purposes.



Scott A. Clelland
Licensed Public School Accountant
No. 1049



WISS & COMPANY, LLP

December 18, 2015
Iselin, New Jersey

Livingston Board of Education
Schedule of Expenditures of Federal Awards

Year ended June 30, 2015

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Grant Period	Award Amount	June 30, 2014			Carryover Amount	Cash Received	Budgetary Expenditures	Repayment of PY Balances	June 30, 2015		
				Unearned Revenue	(Accounts Receivable)	Due to Grantor					(Accounts Receivable)	Unearned Revenue	Due to Grantor
General Fund:													
U.S. Department of Human Service--													
Passed Through the State Department of Education:													
Medicaid Assistance	93.778	7/1/14-6/30/15	\$ 10,648					\$ 10,648	\$ 10,648				
Total U.S. Department of Human Services													
Passed-through the State Department of Education													
Total general fund								10,648	10,648				
Special Revenue Fund:													
U.S. Department of Education--Passed-Through State													
Passed Through the State Department of Education:													
Title I, Part A	84.010A	7/1/13-6/30/14	122,855		\$ (28,671)			28,671					
Title I, Part A	84.010A	7/1/14-6/30/15	134,507					76,889	134,507		\$ (57,618)		
Title II-A	84.367A	7/1/14-6/30/15	71,426					36,000	71,426		(35,426)		
Title II-A	84.367A	7/1/13-6/30/14	70,453		(5,453)			5,453					
Title III	84.365A	7/1/14-6/30/15	20,973						20,973		(20,973)		
Title III	84.365A	7/1/13-6/30/14	20,344		(20,344)			20,344					
Title III Immigrant	84.365A	7/1/14-6/30/15	9,064						9,064		(9,064)		
Race to the Top	84.413A	7/1/12-9/30/14	9,768		(1,195)			1,195					
I.D.E.I.A. Part B, Basic	84.027A	9/1/13-6/30/14	1,193,616		(260,411)			371,296	110,885				
I.D.E.I.A. Part B, Basic	84.027A	7/1/14-6/30/15	1,255,220					938,525	1,254,306		(315,781)		
I.D.E.I.A. Part B, Preschool	84.173A	7/1/13-6/30/14	51,894		(27,109)			27,109					
I.D.E.I.A. Part B, Preschool	84.173A	7/1/14-6/30/15	51,817					36,742	51,817		(15,075)		
Total Special Revenue Fund and U.S. Department of Education Passed-through the State					(343,183)			1,542,224	1,652,978		(453,937)		
Passed-through the State Department of Education													
Total Federal Awards				\$ -	\$ (343,183)	\$ -	\$ -	\$ 1,552,872	\$ 1,663,626	\$ -	\$ (453,937)	\$ -	

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, 2015

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	June 30, 2014			Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Adjustments	June 30, 2015			Memo	
				Unearned Revenue	(Accounts Receivable)	Due to Grantor					Unearned Revenue	(Accounts Receivable)	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures
State Department of Education															
General Fund:															
Special Education Aid	495-034-5120-089	7/1/14-6/30/15	\$ 2,114,543				\$ 1,917,798	\$ 2,114,543						\$ (196,745)	\$ 2,114,543
Special Education Aid	495-034-5120-089	7/1/13-6/30/14	2,114,543	\$ (196,590)			196,590								
Transportation Aid	495-034-5120-014	7/1/14-6/30/15	211,108				191,466	211,108						(19,642)	211,108
Transportation Aid	495-034-5120-014	7/1/13-6/30/14	211,108	(19,627)			19,627								
Security Aid	495-034-5120-084	7/1/14-6/30/15	91,185				82,701	91,185						(8,484)	91,185
Security Aid	495-034-5120-084	7/1/13-6/30/14	91,185	(8,478)			8,478								
PARCC Readiness Aid	495-034-5120-098	7/1/14-6/30/15	59,680				54,127	59,680						(5,553)	59,680
Per Pupil Growth Aid	495-034-5120-097	7/1/14-6/30/15	59,680				54,127	59,680						(5,553)	59,680
Extraordinary Aid	100-034-5120-473	7/1/14-6/30/15	971,648					971,648			\$ (971,648)				971,648
Extraordinary Aid	100-034-5120-473	7/1/13-6/30/14	911,487	(911,487)			911,487								
Additional NonPublic Transportation Aid	Not available	7/1/14-6/30/15	23,786					23,786				(23,786)			23,786
Additional NonPublic Transportation Aid	Not available	7/1/13-6/30/14	23,231	(23,231)			23,231								
On-Behalf TPAF Pension and Medical Contributions	495-034-5094-001/006/007	7/1/14-6/30/15	6,403,971				6,403,971	6,403,971							6,403,971
Reimbursed TPAF - Social Security	495-034-5094-003	7/1/13-6/30/14	3,336,434	(165,382)			165,382								
Reimbursed TPAF - Social Security	495-034-5094-003	7/1/14-6/30/15	3,418,721				3,249,075	3,418,721				(169,646)			3,418,721
Total General Fund				(1,324,795)			13,278,060	13,354,322				(1,165,080)		(235,977)	13,354,322
Special Revenue Fund:															
New Jersey Non-Public Aid:															
Textbook Aid	100-034-5120-064	7/1/13-6/30/14	45,526		\$ 1,531				\$ 1,531						
Textbook Aid	100-034-5120-064	7/1/14-6/30/15	52,253				52,253	51,418				\$ 835			51,418
Technology Aid	100-034-5120-373	7/1/14-6/30/15	46,720				46,720	46,676					44		46,676
Technology Aid	100-034-5120-373	7/1/13-6/30/14	28,180		948				948						
Non Public Auxiliary Services (Ch. 192):															
English as a Second Language	100-034-5120-067	7/1/14-6/30/15	1,096				1,096	914						182	914
Compensatory Education		7/1/13-6/30/14	16,264		3,424				3,424						
Compensatory Education		7/1/14-6/30/15	44,074				44,074	40,580					3,494		40,580
Home Instruction		7/1/13-6/30/14	5,463	(5,463)			5,463								
Home Instruction		7/1/14-6/30/15	7,699					7,699				(7,699)			7,699
Non Public Handicapped Services (Ch. 193):															
Supplemental Instruction	100-034-5120-066	7/1/13-6/30/14	99,219		29,002				29,002						
Supplemental Instruction		7/1/14-6/30/15	92,595				92,595	86,317					6,278		86,317
Examination and Classification		7/1/13-6/30/14	180,261		43,920				43,920						
Examination and Classification		7/1/14-6/30/15	234,119				234,119	199,535					34,584		199,535
Corrective Speech		7/1/13-6/30/14	104,681		31,717				31,717						
Corrective Speech		7/1/14-6/30/15	111,322				111,322	70,327					40,995		70,327
Non Public Nursing Services	100-034-5120-070	7/1/14-6/30/15	143,889				143,889	143,035					854		143,035
Total Special Revenue Fund				(5,463)	110,542		731,531	646,501	110,542			(7,699)	87,266		646,501
Capital Projects Fund:															
New Jersey School Development Authority Grants	Various	7/1/09-completion	22,522,516	(5,721,114)				123,888		\$ 37		(5,845,039)			18,414,506
Total Capital Projects Fund				(5,721,114)				123,888		37		(5,845,039)			18,414,506
Debt Service Funds:															
Debt Service Aid	495-034-5120-017	7/1/14-6/30/15	902,658				902,658	902,658							902,658
Total Debt Service Fund							902,658	902,658							902,658
Total State Financial Assistance				\$ (7,051,372)	\$ 110,542	\$ 14,912,749	\$ 15,027,569	\$ 110,542	\$ 37	\$ (7,017,818)	\$ 87,266	\$ (235,977)	\$ 33,317,987		
State Financial Assistance Not Subject to Single Audit Determination:															
On-Behalf TPAF Pension and Medical Contributions	495-034-5094-001/006/007	7/1/14-6/30/15	6,403,971				6,403,971	6,403,971							6,403,971
Total State Financial Assistance Subject to Single Audit Determination				\$ (7,051,372)	\$ 110,542	\$ 8,508,278	\$ 8,623,398	\$ 110,542	\$ 37	\$ (7,017,818)	\$ 87,266	\$ (235,977)	\$ 26,914,016		

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, 2015

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 using the modified accrual basis of accounting with the exception of programs recorded in the special revenue fund, which are presented using the budgetary basis of accounting, and capital projects fund, which is presented using the accrual basis of accounting. These bases of accounting are described in Note 1 to the District's basic financial statements. The information in these schedules is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and New Jersey OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Therefore, some of the amounts presented in these schedule may differ from amounts presented, or used in the preparation of, the basic financial statements.

3. Relationship to Basic Financial Statements

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

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the last state aid payments in the

Livingston Board of Education

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

Year ended June 30, 2015

3. Relationship to Basic Financial Statements (continued)

current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44.2. For GAAP purposes, these payments are not recognized until the subsequent year due to the State deferral and recording of the last 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 budgetary basis to the GAAP basis is \$11,282 for the general fund. See Note to Required Supplementary Information for a reconciliation for the budgetary basis to GAAP of accounting for the general and special revenue funds (C-3). Financial 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	\$ 10,648	\$ 13,343,040	\$ 13,353,688
Special Revenue Fund	1,652,978	646,501	2,299,479
Capital Projects Fund		123,888	123,888
Debt Service Fund		902,658	902,658
Total financial award revenues	<u>\$ 1,663,626</u>	<u>\$ 15,016,087</u>	<u>\$ 16,679,713</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.

5. 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, 2015. The post-retirement medical benefits received on-behalf of the District for the year ended June 30, 2015 amounted to \$6,403,971. Since on-behalf post retirement pension and medical benefits are paid by the State directly, these expenditures are not subject to a single audit in accordance with New Jersey OMB Circular 15-08, as directed by the funding agency.

Livingston Board of Education
Schedule of Findings and Questioned Costs
Year ended June 30, 2015

Part I - Summary of Auditors' Results

Financial Statement Section

Type of auditors' report issued:	<u>Unmodified</u>		
Internal control over financial reporting:			
Material weakness(es) identified?	_____	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
Significant deficiency(ies) identified?	_____	Yes <input checked="" type="checkbox"/>	None Reported <input type="checkbox"/>
Noncompliance material to financial statements noted?	_____	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>

Federal Awards Section

Dollar threshold used to distinguish between Type A and Type B programs:	<u>\$300,000</u>		
Auditee qualified as low-risk auditee?	<input checked="" type="checkbox"/>	Yes _____	No <input type="checkbox"/>
Type of auditors' report issued on compliance for major programs:	<u>Unmodified</u>		
Internal control over major programs:			
Material weakness(es) identified?	_____	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
Significant deficiency(ies) identified?	_____	Yes <input checked="" type="checkbox"/>	None Reported <input type="checkbox"/>
Any audit findings disclosed that are required to be reported in accordance with Section .510(a) of Circular A-133?	_____	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>

Livingston Board of Education
Schedule of Findings and Questioned Costs

Year ended June 30, 2015

Part I - Summary of Auditors' Results

Identification of major federal programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.027A	IDEIA Part B, Basic
84.173A	IDEIA Part B, Preschool

Livingston Board of Education

Schedule of Findings and Questioned Costs

Year ended June 30, 2015

Part I - Summary of Auditors' Results (continued)

State Awards Section

Dollar threshold used to distinguish between Type A and Type B programs:

\$300,000

Auditee qualified as low-risk auditee?

✓

Yes

 No

Type of auditors' report issued on compliance for major programs:

Unmodified

Internal control over major programs:

Material weakness(es) identified?

 Yes

✓

 No

Significant deficiency(ies) identified?

 Yes

✓

 None Reported

Any audit findings disclosed that are required to be reported in accordance with NJOMB Circular 15-08?

 Yes

✓

 No

Identification of major state programs:

State Grant Number

Name of State Program or Cluster

495-034-5120-089

Special Education Categorical Aid

495-034-5120-084

Security Aid

495-034-5120-097

Per Pupil Growth Aid

495-034-5120-098

PARCC Readiness Aid

100-034-5120-066

Nonpublic Handicapped Aid (Chapter 193)

495-034-5120-017

Debt Service Aid

Livingston Board of Education
Schedule of Findings and Questioned Costs
Year ended June 30, 2015

Part II - Schedule of Financial Statement Findings

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

Livingston Board of Education
Schedule of Findings and Questioned Costs

Year ended June 30, 2015

**Part III - Schedule of Federal and State Award
Findings and Questioned Costs**

No compliance or internal control findings noted that are required to be reported in accordance with OMB Circular A-133 or New Jersey OMB Circular 15-08.

Livingston Board of Education
Summary Schedule of Prior Year Audit Findings
Year ended June 30, 2015

Not applicable.