

Livingston Board of Education

Township of Livingston
Board of Education
County of Essex
New Jersey

*Annual Comprehensive Financial Report
For the Year Ended
June 30, 2021*

Livingston Board of Education

Livingston Township, New Jersey

Annual Comprehensive Financial Report
For the Year Ended June 30, 2021

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

March 8, 2022

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 Annual Comprehensive Financial Report (“ACFR”) of the Livingston Public Schools (the "District") as of and for the year ended June 30, 2021, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the 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 and each major fund at June 30, 2021 and the respective changes in financial position and, where applicable, cash flows thereof, of the District for the year then ended. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The introductory section includes this transmittal letter (designed to complement Management's Discussion and Analysis and should be read in conjunction with it), the District's organizational chart, roster of officials and independent auditor and advisors. The financial section includes management's discussion and analysis (immediately following the independent auditors' report), basic financial statements, required supplementary information and supplementary information, as well as the auditors' report thereon. The statistical section, which includes selected financial, demographic and operating information, is unaudited and generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance) and the New Jersey OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments*. Information related to this single audit, including the auditor's reports on internal control and compliance with applicable major programs are included in the single audit section of this report.

1. Reporting Entity and Its Services

The Livingston Board of Education is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board (GASB). All funds and the government-wide financial statements of the District are included in this report. The Livingston Board of Education and all its schools constitute the District's reporting entity. The District provides a full range of educational services appropriate to grade levels K through 12 as well as a Pre-K program for students with disabilities. These services are provided for regular, vocational and special education youngsters. The District completed the 2020-2021 fiscal year with an average daily enrollment of 6,020 students, which is a decrease of 100 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
2020-21	6,020	(1.63%)
2019-20	6,120	1.88%
2018-19	6,007	0.60%
2017-18	5,971	0.98%
2016-17	5,913	(0.22)%

2. Economic Condition and Outlook

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

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

Programmatic and instructional changes reflect the revised New Jersey Student Learning Standards in English Language Arts, Mathematics, Science, Social Studies, Visual/Performing Arts, Comprehensive Health/Physical Education, Technology, World Languages, 21st Century Life and Careers, and Social-Emotional Learning. We continue to implement the *Understanding by Design (UbD)* framework as the model for our curriculum writing. This approach to curriculum is designed to engage students in the process of inquiry, promote transfer of learning, and provide a conceptual framework for helping students make sense of discrete facts and skills while uncovering the "big ideas" of content.

Our professional development supports the implementation of our standards-based curriculum and ties into our district goals of Differentiation and Individualized Learning, Building Quality Assessments for ALL Learners, Mindfulness for Building Relationships, and Questioning and Inquiry-Designing Questions, and Learning Tasks to Access Student Thinking and Understanding. Specific topics and initiatives for this year include: Content-Area Professional Development, Instructional Best Practices,

Social-Emotional Learning and Wellness, Equity and Inclusion, Data Assessment, and Differentiation, Interdisciplinary Problem-Based, and Student-Initiated Learning Experiences, Technology, Transition, Teacher Assistants and Instructional Aides. Staff development has been presented through local, state, and national conferences, in-service workshops, book studies, school based or department meetings and Professional Learning Communities (PLCs). District and building administrators and content area supervisors support teachers in the implementation of these curricula and monitor instructional effectiveness. Staff development for the integration of technology is a major focus because of the increased use of computers at every level in the district. LPS uses Charlotte Danielson's teacher observation and evaluation model which is based on the following domains: planning, instructional methods and strategies, classroom management, and professional responsibilities.

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

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

a) **Math:**

To support the math curriculum, a new textbook series was purchased for grades K-3. Technology is integrated into this instructional approach. Our elementary math supervisor trained teachers in the use of the on-line component of the math series and the additional support needed for identified students to augment their instruction. On the middle and high school levels, teachers use on-line programs to target individual student needs.

b) **Technology:**

LPS continues to strengthen its use of technology at every level. The pandemic was a catalyst to transition our teachers and students to remote learning and increased technology use. All students in grades K through 12 are part of a 1:1 computer initiative. All K-12 teachers have a MacBook Air to support their integration of technology in every subject area. To support these initiatives, we have five technology coaches and expanded professional development for teachers across the district.

c) **Science:**

The implementation of the Next Generation Science Standards has led us to revise our science curricula and instructional practices to include more inquiry-based learning, experimentation, and the integration of technology and engineering. STEM/STEAM initiatives in grades K through 6 have been integrated into all science curricula. We maintained computer simulation programs to facilitate students' scientific inquiry and thinking where opportunities for in-person lab experiences may be constrained. An interdisciplinary K-5 STEAM class has been developed and is being taught for the first time in the 2021-2022 school year.

d) **English Language Arts (ELA):**

We maintain our focus on teaching English Language Arts through a balanced literacy approach. A scope and sequence for each area of ELA (reading, writing, word study, vocabulary, phonics, spelling, grammar, usage, and mechanics) has been developed to ensure that all aspects of ELA receive the appropriate emphasis. Curricula in grades K through 12 are written to meet the New Jersey Student Learning Standards in English Language Arts, and resources, curricula, and professional development support implementation of the standards. The Literably and DRA2 assessment tools are used to track long-range growth and achievement in the areas of reading engagement, fluency (expression, rate, and accuracy), and comprehension in grades K-6. The Predictive Assessment for Readiness (PAR) is the dyslexia

screening tool that is used in the district. Link-It benchmark reading assessments are used to track growth in the areas of reading and writing in grades 3-10, and authentic writing portfolios and correlating rubrics are used to demonstrate evidence of growth and achievement in the various genres of writing. The Words Their Way Developmental Spelling Assessment is used in grades K-5 to determine growth in the areas of phonemic awareness, phonics, and spelling.

Student Services

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

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

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

- An exemplary pre-school program which includes an integrated model and a pre-school disabled program with full and half-day opportunities that relies upon a scientifically research based curriculum.
- An Extended School Year program for special education students with a full complement of services.

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

Staff Development

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

Our main themes for professional development for the 2021-2022 school year include the following:

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

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

3. Internal Control

Management of the District is responsible for establishing and maintaining internal control designed to ensure that the assets of the District are protected from loss, theft or misuse, and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (“GAAP”) as applicable to governmental entities. Internal control is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that:

- (1) the cost of a control should not exceed the benefits likely to be derived; and
- (2) the valuation of costs and benefits requires estimates and judgments by management.

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

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

4. Budgetary Controls

In addition to internal control, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the State Department of Education. Annual appropriated budgets are adopted for the general fund, the special revenue fund and the debt service fund. Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The legal level of budgetary control is established at the line item level within each fund. The final budget amount as amended for the fiscal year is reflected in the required supplementary information-Part III section of this report.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as assigned fund balance at June 30, 2021.

5. Accounting System and Reports

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

6. Cash Management

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

The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

7. Risk Management

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

8. Other Information

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


9. COVID-19 Pandemic

The 2020-2021 school year was an unprecedented year due to the COVID-19 Pandemic. Livingston, along with school districts across the state, faced multiple instructional, technological and financial challenges in implementing virtual instruction. The District created a crisis management budget line to appropriate money for the unknown costs for the year. Livingston performed testing on the HVAC system and upgraded to MERV 13 filters in all of the schools. The District was able to begin hybrid instruction in the fall and by the end of the year had moved to a full day of instruction while still offering remote learning as mandated.

10. 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,

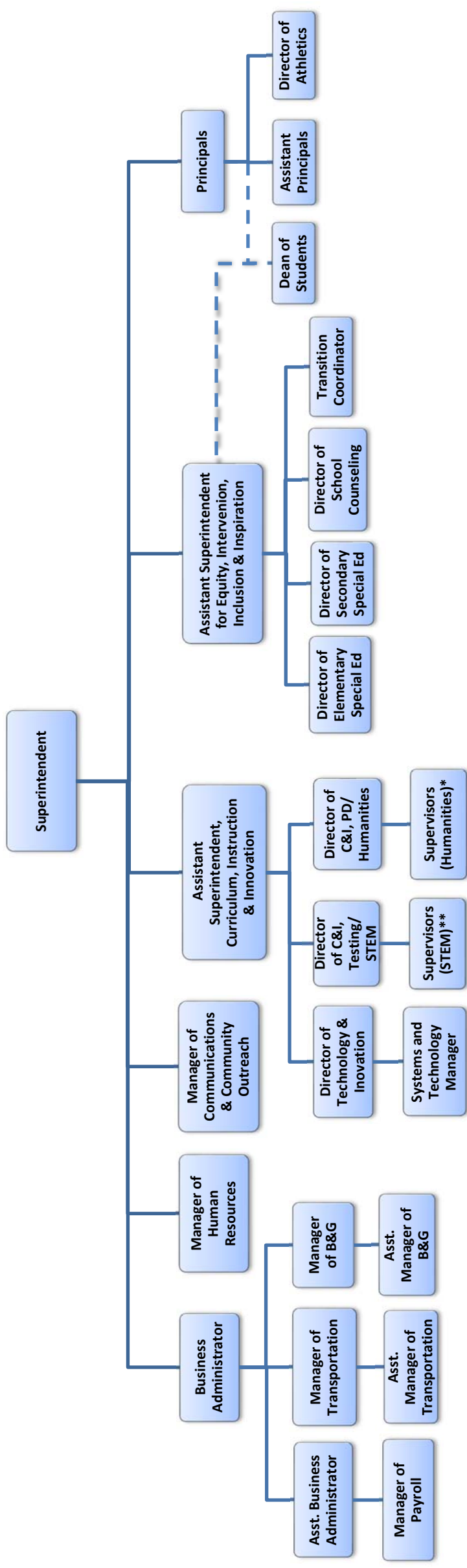


Matthew Block Ed.D.
Superintendent of Schools



Steven Robinson
School Business Administrator/Board Secretary

Livingston Board of Education Organizational Chart



*Humanities includes: Supervisor of English (7-12), Supervisor of ELA (Pre-K-6), Supervisor of Social Studies (7-12), Supervisor of Social Studies (Pre-K-6), Supervisor of Health & PE, Supervisor of Visual and Performing Arts and Supervisor of World Language/ESL

** STEM includes: Supervisor of Science (7-12), Supervisor of Science (Pre-K-6), Supervisor of Math (7-12), Supervisor of Math (Pre-K-6) and Supervisor of Business, Technology & Engineering

Livingston Board of Education

Roster of Officials

As of June 30, 2021

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Ms. Samantha Messer, President	2022
Mrs. Pamela Chirls, Vice-President	2021
Mr. Seth Cohen	2022
Mrs. Vineeta Khanna	2023
Mrs. Ronnie Ferber Konner	2021

Other Officials

Mr. Matthew J. Block Ed.D., Superintendent of Schools
Mr. Steven K. Robinson, School Business Administrator/Board Secretary
Mrs. Lisa Capone-Steiger, Assistant Superintendent of Schools
Mr. Mark Stern, Assistant Superintendent of Schools
Mrs. Patricia Ramos, Assistant Business Administrator

Livingston Board of Education
Independent Auditor and Advisors

June 30, 2021

Architects

DiCara Rubino Architects
30 Galesi Drive
Wayne, New Jersey 07470

Gianforcaro Architects
555 East Main Street
Chester, New Jersey 07930

Independent Auditor

Wiss & Company, LLP
100 Campus Drive, Suite 400
Florham Park, NJ 07932

Attorney

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

Official Depositories

Regal Bank
570 West Mt. Pleasant Avenue
Livingston, New Jersey 07039

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

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

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 and each major fund of the Livingston Board of Education, County of Essex, New Jersey (the "District"), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Emphasis of Matter – Change in Accounting Principle

As discussed in Note 18 to the financial statements, during the fiscal year ended June 30, 2021, the District adopted new accounting guidelines, Governmental Accounting Standards Board Statement No. 84, *Fiduciary Activities*, which represents a change in accounting principle. As of July 1, 2020, the District's government-wide financial statements net position and the fund balances of the general fund and special revenue fund were retroactively adjusted to reflect the impact of the change in accounting principle. Our opinion is not modified with respect to this matter.

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 and each major fund of the District as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying supplementary information such as the combining and individual fund financial statements, long-term debt schedules and the schedules of expenditures of federal awards and state financial assistance, as required by Title 2 U.S. *Code of Federal Regulations (CFR) Part 200 Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance)* and New Jersey OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, respectively, and the other information, such as the introductory and

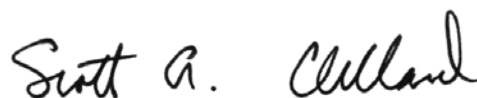
statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 8, 2022 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



Scott A. Clelland
Licensed Public School Accountant
No. 1049



WISS & COMPANY, LLP

March 8, 2022
Florham Park, New Jersey

Required Supplementary Information - Part I

Management's Discussion and Analysis

Livingston Board of Education
Livingston, New Jersey

Management's Discussion and Analysis
Year ended June 30, 2021

This management discussion and analysis of the Livingston Board of Education's (the "District") financial performance provides an overview of the District's financial activities for the fiscal year ended June 30, 2021. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the basic financial statements, notes and additional information in the transmittal letter to enhance their understanding of the District's financial performance.

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

Financial Highlights

Key financial highlights for fiscal 2021 are as follows:

- Total net position is \$51,865,506. It is comprised of both current and capital assets and deferred outflows of resources less current and outstanding long-term liabilities and deferred inflows of resources (Schedule A-1).
- General revenues accounted for \$164,003,017 of revenues or 98 percent of all revenues. Program specific revenues in the form of charges for services and operating grants and contributions accounted for \$4,088,707 or 2 percent of total revenues of \$168,091,724 (Schedule A-2).
- The District had \$148,153,767 in governmental funds expenditures (Schedule B-2). Of that amount, the General Fund expenditures totaled \$136,544,054, including \$22,946,139 in State on-behalf TPAF pension and social security contributions. Grant and Student Activity-related expenditures totaled \$3,483,463 in the special revenue fund. Business-type activities expenses were \$272,234 (Schedule B-5).

Using this Annual Comprehensive Financial Report (ACFR)

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 ACFR also contains required, supplementary and other information in addition to the basic financial statements themselves.

Reporting the School District as a Whole

Government-wide Statements

The Statement of Net Position and Statement of Activities provide information about the activities of the entire District, and are designed to provide readers with a broad overview of the District's finances, in a manner similar to private-sector business. These government-wide statements found at A-1 and A-2 are not intended to drive budgetary decisions of the Board of Education. Instead, the fund statements found at B-1 through B-6 as well as the supplementary budgetary comparison at C-1 should be utilized, as in the past, for the decision making of the Board of Education. The fund financial statements are explained later in this MD&A.

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

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

- Governmental activities – All of the District's programs and services are reported here including instruction, support services, operation and maintenance of facilities, pupil transportation, and extracurricular activities.
- Business-type activities – Programs reported here are used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the District is that the costs of providing goods and services be financed through user charges. The Food Service Enterprise Fund is reported as a business-type activity.

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

Reporting the School District's Funds

Fund Financial Statements

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

Governmental Funds

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

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

Proprietary Funds

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

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 31 to 73 of this report.

The School District as a Whole

The Statement of Net Position provides the perspective of the District as a whole. Net position may serve over time as a useful indicator of a government's financial position. However, as noted earlier, net position is not the primary basis for the decision making for each budget cycle. The District's financial position is the product of several financial transactions including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets, and the depreciation of capital assets. The following table provides a summary of the net position relating to the District's governmental and business-type activities over the past two years at June 30.

Table 1
Net Position
June 30,

	2021			2020		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business- Type Activities	Total
Assets:						
Current and other assets	\$ 27,591,929	\$ 239,906	\$ 27,831,835	\$ 17,561,513	\$ 399,746	\$ 17,961,259
Capital assets, net	145,621,111	107,492	145,728,603	149,706,075	140,133	149,846,208
Total assets	173,213,040	347,398	173,560,438	167,267,588	539,879	167,807,467
Deferred outflows of resources	7,344,758		7,344,758	9,163,305		9,163,305
Liabilities:						
Current liabilities	14,748,928	224,229	14,973,157	12,205,397	344,052	12,549,449
Long-term liabilities	104,045,985	38,397	104,084,382	110,255,855	59,126	110,314,981
Total liabilities	118,794,913	262,626	119,057,539	122,461,252	403,178	122,864,430
Deferred inflow of resources	9,982,151		9,982,151	9,653,387		9,653,387
Net position:						
Net investment in capital assets	66,474,442	47,490	66,521,932	65,375,895	55,419	65,431,314
Restricted	16,890,856		16,890,856	11,686,227		11,686,227
Unrestricted (deficit)	(31,584,564)	37,282	(31,547,282)	(32,782,361)	81,282	(32,701,079)
Total net position	\$ 51,780,734	\$ 84,772	\$ 51,865,506	\$ 44,279,761	\$ 136,701	\$ 44,416,462

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

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

The District's capital assets, net, decreased in the current fiscal year due to current depreciation expense exceeding current year capital asset additions. Current and other assets increased mainly due to the increase in cash and cash equivalents due to current year fiscal results as well as a \$402,760 increase in accounts receivable from the State. Current liabilities increased mainly due to the timing of invoices received by the District at year-end as well as the current year implementation of GASB 84, which reclassified certain payroll related balances as current liabilities. Long-term liabilities decreased mainly due to the decrease in the net pension liability, which is the result of the actuarial valuation of the PERS pension liability completed for the current fiscal year. This decrease is also due to current year bond principal payments.

Net investment in capital assets increased by approximately \$1.1 million as a result of capital asset additions, a decrease in serial bonds, an increase in unamortized deferred interest costs and a decrease in unamortized bond premiums, offset by a decrease in capital leases and bonds payable. A portion of the District's net position represents a balance of restricted net position. This balance reflects the net position in the capital projects fund and other restricted accounts in the general fund, including capital reserve, emergency reserve, unemployment compensation, student activities and excess fund balance designated for subsequent years expenditures. The following table presents changes in net position for the fiscal years ended June 30, 2021 and 2020.:

Table 2
Changes in Net Position
Year ended June 30,

	2021			2020		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-Type Activities	Total
Revenues:						
Program revenues:						
Charges for services	\$ 1,042,009	\$ 34,741	\$ 1,076,750	\$ 389,317	\$ 1,436,520	\$ 1,825,837
Operating grants and contributions	2,981,957	30,000	3,011,957	2,581,212		2,581,212
Capital grants and contributions				50,806		50,806
Total program revenues	4,023,966	64,741	4,088,707	3,021,335	1,436,520	4,457,855
General revenues:						
Property taxes	117,587,404		117,587,404	115,727,652		115,727,652
Federal aid not restricted to specific purposes	29,535		29,535	10,990		10,990
State aid not restricted to specific purposes	45,603,020		45,603,020	33,398,535		33,398,535
Investment earnings	105,416	564	105,980	144,629	5,136	149,765
Rental income	245,336		245,336	338,912		338,912
Miscellaneous	431,742		431,742	357,697		357,697
Total general revenues	164,002,453	564	164,003,017	149,978,415	5,136	149,983,551
Expenses:						
Instructional services	105,663,539		105,663,539	95,716,727		95,716,727
Support services	52,696,441	272,234	52,968,675	49,279,988	1,506,434	50,786,422
Charter schools	138,254		138,254	116,590		116,590
Interest on long-term debt	2,728,110		2,728,110	3,044,666		3,044,666
Total expenses	161,226,344	272,234	161,498,578	148,157,971	1,506,434	149,664,405
Transfers	(155,000)	155,000	-			
Change in net position	6,645,075	(51,929)	6,593,146	4,841,779	(64,778)	4,777,001
Net position - beginning (as adjusted, see Note 18)	45,135,659	136,701	45,272,360	39,437,982	201,479	39,639,461
Net position - ending	\$ 51,780,734	\$ 84,772	\$ 51,865,506	\$ 44,279,761	\$ 136,701	\$ 44,416,462

Property taxes made up 71.77% of revenues for governmental activities for the District for fiscal year 2021. Federal and state unrestricted aid accounted for another 27.85% of revenue. Property taxes increased within allowable caps as permitted by New Jersey regulations.

The total cost of all programs and services was \$161,226,344. Instruction comprised 65.43% of District expenses. Instructional expenses include activities directly dealing with the teaching of pupils and the interaction between teacher and student, including extracurricular activities.

Capital grants and contributions decreased due to the final payment for New Jersey Schools Development Authority projects being received in the prior year. State aid increased mainly due to a increase in the on-behalf payments made by the State related to employee pensions as well as an increase in extraordinary aid.

Business-type program expenses decreased from the prior year due to the District operating a limited lunch program due to the ongoing effects of the COVID-19 pandemic.

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

Financial Analysis of the District's Funds

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

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

General Fund. The general fund is the main operating fund of the District. At the end of the current fiscal year, restricted fund balances were \$11,829,174, assigned fund balances were \$350,389 and the unassigned fund balance was \$6,469,410, while the total fund balance was \$18,648,973 (B-1). For the year ended June 30, 2021, the District generated excess surplus in the amount of \$1,933,885.

Special Revenue Fund. The special revenue fund is used to track the proceeds of specific revenue sources that are restricted or committed to expenditures for specific purposes, other than debt service or capital projects. Revenue and expenditures for the current fiscal year increased by \$857,251 mainly due to the expenditure of COVID-related grants and the inclusion of student activity expenditures in the current year as the District implemented GASB Statement No. 84 (see note 18 to the financial statements). IDEA continues to be the largest grant in the special revenue fund, with expenditures in the current fiscal year of \$1,482,722.

Capital Projects Fund. The capital projects fund is used to account for and report financial resources that are restricted, committed, or assigned to an expenditure for capital outlays, including the acquisition or construction of major capital facilities and other assets (other than those financed by proprietary funds). There were no expenditures in the current fiscal year. Total restricted fund balance was \$4,540,653 as of June 30, 2021.

Debt Service Fund. The debt service fund accounts for resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds. The fund balance in the debt service fund is \$362,541 at June 30, 2021.

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, 2021, and the amount and percentage of increases in relation to prior year revenues.

Revenues	Amount	Percent of Total	Increase from 2020	Percent of Increase
Local sources	\$ 119,438,713	77.8%	\$ 2,464,766	2.1%
State sources	32,040,488	20.9	4,979,227	18.4
Federal sources	2,073,412	1.3	428,542	26.1
Total	\$153,552,613	100.0%	\$ 7,872,535	5.4%

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

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

The increase in federal sources is attributable to increases in the special revenue fund activity related to CARES Act funding.

The following schedule represents a summary of general fund, special revenue fund and debt service fund expenditures for the year ended June 30, 2021, and the amount and percentage of increases and decreases in relation to prior year expenditures.

Expenditures	Amount	Percent of Total	Increase/ (Decrease) from 2020	Percent of Increase (Decrease)
Current expense:				
Instruction	\$56,508,832	38.1%	\$1,731,023	3.2%
Support services	79,108,538	53.4	2,927,805	3.8
Capital outlay	4,226,893	2.9	(1,417,919)	(25.1)
Charter schools	138,254	0.1	21,664	18.6
Debt service	8,171,250	5.5	25,900	0.3
Total	\$148,153,767	100.0%	\$3,288,473	2.3%

The increase in instruction expenditures is not tied to one specific program. There were slight increases in a variety of areas.

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

The decrease in capital outlay is the result of greater equipment and improvement purchase activity during the 2019-20 school year.

General Fund Budgetary Highlights

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

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

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

- Special education – an increase of \$563,135 was mainly due to an increase in the number of teaching staff for in district special education programs and instructional aides, as the District had an increased need for serving students with preschool disabilities, multiple disabilities and in resource room in the current year.
- Student transportation services – a decrease of \$223,359 was mainly due to reduced need for transportation services. The reduced need was caused by hybrid scheduling as well as fewer extracurricular activities and class trips requiring transportation.
- Unallocated benefits – health benefits – a decrease of \$443,133 was mainly attributable to the actual premium increase being less than anticipated at the time of budget adoption.

Capital Assets

At the end of fiscal year 2021, the District had \$145,728,603 invested in land, land improvements, building and building improvements, machinery, equipment and vehicles, net of accumulated depreciation.

The following presents a comparison for 2021 and 2020 for governmental and proprietary fund capital assets:

Capital Assets (Net of Depreciation)

	Year Ended June 30,	
	2021	2020
Land	\$ 3,253,263	\$ 3,253,263
Land improvements	469,583	523,222
Building and building improvements	135,000,504	139,458,872
Machinery, equipment and vehicles	7,005,253	6,610,851
Total	<u>\$ 145,728,603</u>	<u>\$ 149,846,208</u>

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

Debt Administration and Long-term Liabilities

At June 30, 2021, the District had \$112,116,389 of long-term liabilities. Of this amount, \$6,978,405 relates to compensated absences; \$4,724,255 relates to various capital leases payable; \$70,085,000 of serial bonds for school construction and renovation projects; \$23,615,255 relates to the net pension liability, \$6,626,368 is for the unamortized premium on bonds and \$87,106 is for the unamortized premium on capital leases.

At June 30, 2021, the District's overall remaining limitation of indebtedness was \$269,754,785. For more detailed information, please refer to Note 5 to the basic financial statements.

For the Future

The District is proud of its community support of the public schools.

The Livingston Board of Education is presently in good financial condition. The District continues to be affected by the COVID-19 Pandemic. Costs related to instruction technology, safety, and cleaning and maintenance have all increased as a result of the Pandemic. The District has received Federal assistance to mitigate these additional costs. However, the Pandemic will likely have an overall negative financial impact on the District. 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. Michael Davison, 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, 2021.

Livingston Board of Education

Statement of Net Position

June 30, 2021

	Governmental Activities	Business-type Activities	Total
Assets			
Cash and cash equivalents	\$ 24,351,335	\$ 243,341	\$ 24,594,676
Investments	65,314		65,314
Internal balances	25,422	(25,422)	-
Accounts receivable	3,149,858		3,149,858
Inventories		21,987	21,987
Capital assets, non-depreciable	3,253,263		3,253,263
Capital assets, depreciable, net	142,367,848	107,492	142,475,340
Total assets	<u>173,213,040</u>	<u>347,398</u>	<u>173,560,438</u>
Deferred outflows of resources			
Unamortized deferred loss on refunding of debt	2,376,060		2,376,060
Pension deferrals	4,968,698		4,968,698
Total deferred outflows of resources	<u>7,344,758</u>		<u>7,344,758</u>
Liabilities			
Accounts payable	1,857,210	12,082	1,869,292
Accrued interest payable	1,492,949		1,492,949
Intergovernmental payables:			
State	131,140		131,140
Payroll deductions and withholdings payable	3,197,225		3,197,225
Unearned revenue		190,542	190,542
Net pension liability	23,615,255		23,615,255
Current portion of long-term obligations	8,070,404	21,605	8,092,009
Noncurrent portion of long-term obligations	80,430,730	38,397	80,469,127
Total liabilities	<u>118,794,913</u>	<u>262,626</u>	<u>119,057,539</u>
Deferred inflow of resources			
Pension deferrals	9,982,151		9,982,151
Net position			
Net investment in capital assets	66,474,442	47,490	66,521,932
Restricted for:			
Capital projects	4,540,653		4,540,653
Capital reserve	6,426,849		6,426,849
Emergency reserve	1,000,000		1,000,000
Excess fund balance	3,859,473		3,859,473
Unemployment compensation	542,852		542,852
Student activities	521,029		521,029
Unrestricted (deficit)	(31,584,564)	37,282	(31,547,282)
Total net position	<u>\$ 51,780,734</u>	<u>\$ 84,772</u>	<u>\$ 51,865,506</u>

Livingston Board of Education

Statement of Activities

Year ended June 30, 2021

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position		Total
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	
Governmental activities						
Instruction	\$ 105,663,539	\$ 364,896	\$ 2,239,649	\$ (103,058,994)		\$ (103,058,994)
Support services:						
Attendance/social work	78,878			(78,878)		(78,878)
Health services	1,647,834			(1,647,834)		(1,647,834)
Other support services	15,226,258	663,921	742,308	(13,820,029)		(13,820,029)
Improvement of instruction	3,983,779			(3,983,779)		(3,983,779)
Other support: instructional staff	1,064,974			(1,064,974)		(1,064,974)
School library	2,136,464			(2,136,464)		(2,136,464)
General administration	1,433,628			(1,433,628)		(1,433,628)
School administration	7,142,685			(7,142,685)		(7,142,685)
Required maintenance of plant services	2,381,463			(2,381,463)		(2,381,463)
Operation of plant	8,258,962			(8,258,962)		(8,258,962)
Student transportation	3,659,142	13,192		(3,645,950)		(3,645,950)
Central services	2,712,199			(2,712,199)		(2,712,199)
Administrative information technology	2,970,175			(2,970,175)		(2,970,175)
Charter Schools	138,254			(138,254)		(138,254)
Interest and other charges on long-term obligations	2,728,110			(2,728,110)		(2,728,110)
Total governmental activities	161,226,344	1,042,009	2,981,957	(157,202,378)		(157,202,378)
Business-type activities						
Food service	272,234	34,741	30,000		\$ (207,493)	(207,493)
Total business-type activities	272,234	34,741	30,000		(207,493)	(207,493)
Total primary government	\$ 161,498,578	\$ 1,076,750	\$ 3,011,957	(157,202,378)	(207,493)	(157,409,871)
General revenues and transfers:						
Property taxes, levied for general purposes				110,344,955		110,344,955
Property taxes, levied for debt service				7,242,449		7,242,449
Unrestricted federal sources				29,535		29,535
Unrestricted state sources				45,603,020		45,603,020
Investment earnings				105,416	564	105,980
Rental income				245,336		245,336
Miscellaneous income				431,742		431,742
Transfers				(155,000)	155,000	-
Total general revenues and transfers				163,847,453	155,564	164,003,017
Change in net position				6,645,075	(51,929)	6,593,146
Fund balances, July 1 (retroactively adjusted - See Note 18)				45,135,659	136,701	45,272,360
Net position—end of year				\$ 51,780,734	\$ 84,772	\$ 51,865,506

Fund Financial Statements

Governmental Funds

Livingston Board of Education
Governmental Funds

Balance Sheet

June 30, 2021

	Major Funds				Total Governmental Funds
	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	
Assets					
Cash and cash equivalents	\$ 18,923,176	\$ 524,227	\$ 4,541,391	\$ 362,541	\$ 24,351,335
Investments	65,314				65,314
Accounts receivable:					
State	2,382,779	8,286			2,391,065
Federal		536,261			536,261
Interfund	435,788	7,956			443,744
Other	222,532				222,532
Total assets	<u>\$ 22,029,589</u>	<u>\$ 1,076,730</u>	<u>\$ 4,541,391</u>	<u>\$ 362,541</u>	<u>\$ 28,010,251</u>
Liabilities and fund balances					
Liabilities:					
Accounts payable	\$ 175,435	\$ 14,933			\$ 190,368
Intergovernmental payables:					
State		131,140			131,140
Payroll deductions and withholdings payable	3,197,225				3,197,225
Interfunds payable	7,956	409,628	738		418,322
Total liabilities	<u>3,380,616</u>	<u>555,701</u>	<u>738</u>		<u>3,937,055</u>
Fund balances:					
Restricted for:					
Capital reserve	6,426,849				6,426,849
Emergency reserve	1,000,000				1,000,000
Excess fund balance - prior year designated for subsequent years expenditures	1,925,588				1,925,588
Excess fund balance-current year	1,933,885				1,933,885
Debt service				\$ 362,541	362,541
Capital projects			4,540,653		4,540,653
Unemployment compensation	542,852				542,852
Student activities		521,029			521,029
Assigned to:					
Other purposes	350,389				350,389
Unassigned	6,469,410				6,469,410
Total fund balances	<u>18,648,973</u>	<u>521,029</u>	<u>4,540,653</u>	<u>362,541</u>	<u>24,073,196</u>
Total liabilities and fund balances	<u>\$ 22,029,589</u>	<u>\$ 1,076,730</u>	<u>\$ 4,541,391</u>	<u>\$ 362,541</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 \$223,359,258 and the accumulated depreciation is \$77,738,147.	145,621,111
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.	(1,492,949)
Deferred pension costs in governmental activities are not financial resources and are therefore not reported in the funds.	(5,013,453)
Losses arising from the issuance of refunding bonds that are a result of the difference in the carrying value of the refunded bonds and the new bonds are deferred and amortized over the life of the bonds.	2,376,060
Net pension liability is not due and payable in the current period and therefore is not reported as a liability in the funds.	(23,615,255)
Accrued pension contributions for the June 30, 2021 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.	(1,666,842)
Long-term liabilities, including bonds payable, capital leases, compensated absences and unamortized premium on bonds and leases are not due and payable in the current period and therefore are not reported as liabilities in the funds.	<u>(88,501,134)</u>
Net position of governmental activities	<u>\$ 51,780,734</u>

Livingston Board of Education
Governmental Funds

Statement of Revenues, Expenditures and Changes in Fund Balances

Year ended June 30, 2021

	Major Funds				Total Governmental Funds
	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	
Revenues					
Local sources:					
Local tax levy	\$ 110,344,955			\$ 7,242,449	\$ 117,587,404
Tuition	117,660				117,660
Tuition from other LEA's	247,236				247,236
Transportation fees from individuals	13,192				13,192
Interest on investments	39,364		\$ 738		40,102
Investment income	65,314				65,314
Rental income	245,336				245,336
Miscellaneous	306,889	\$ 691,465		124,853	1,123,207
Total local sources	111,379,946	691,465	738	7,367,302	119,439,451
State sources	30,351,151	910,536		778,801	32,040,488
Federal sources	29,535	2,043,877			2,073,412
Total revenues	141,760,632	3,645,878	738	8,146,103	153,553,351
Expenditures					
Current:					
Instruction	54,269,182	2,239,650			56,508,832
Undistributed-current:					
Instruction	5,861,671				5,861,671
Attendance/social work	43,392				43,392
Health services	918,293				918,293
Support services	8,145,495	1,198,813			9,344,308
Improvement of instruction	2,206,794				2,206,794
School library	1,227,046				1,227,046
Instructional staff training	609,672				609,672
General administration	1,070,913				1,070,913
School administration	4,082,143				4,082,143
Required maintenance of plant services	1,591,403				1,591,403
Operation of plant	5,626,003				5,626,003
Student transportation	2,542,197				2,542,197
Central services	1,661,982				1,661,982
Administrative information technology	2,007,734				2,007,734
Unallocated benefits	17,368,848				17,368,848
On-behalf TPAF social security and pension contributions	22,946,139				22,946,139
Capital outlay	4,226,893				4,226,893
Charter Schools	138,254				138,254
Debt service:					
Principal				5,010,000	5,010,000
Interest				3,161,250	3,161,250
Total expenditures	136,544,054	3,438,463	-	8,171,250	148,153,767
Excess (deficiency) of revenues over (under) expenditures	5,216,578	207,415	738	(25,147)	5,399,584
Other financing sources (uses):					
Capital leases (non-budgeted)	1,800,000				1,800,000
Transfers in	738			40,920	41,658
Transfers out	(195,920)		(738)		(196,658)
Total other financing sources (uses)	1,604,818	-	(738)	40,920	1,645,000
Net change in fund balances	6,821,396	207,415	-	15,773	7,044,584
Fund balances, July 1 (retroactively adjusted - See Note 18)	11,827,577	313,614	4,540,653	346,768	17,028,612
Fund balances, June 30	\$ 18,648,973	\$ 521,029	\$ 4,540,653	\$ 362,541	\$ 24,073,196

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

Livingston Board of Education
Governmental Funds

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

Year ended June 30, 2021

Total net change in fund balances - governmental funds (from B-2)		\$ 7,044,584
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 depreciation expense exceeded capital additions in the period.		
	Capital additions	\$ 2,452,158
	Depreciation expense	<u>(6,537,122)</u> (4,084,964)
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.		131,065
Repayments of bond and capital lease principal are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.	Serial bonds payable	5,010,000
	Obligations under capital lease	<u>1,671,436</u> 6,681,436
The issuance of capital leases proceeds provides current financial resources to governmental funds and has no effect on net position.	Principal portion	(1,800,000)
Governmental funds report the effect of premiums on bonds and capital leases and deferred interest costs when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	Amortization of premium on bonds and capital leases	507,127
	Amortization of deferred loss on refunding of debt	<u>(205,052)</u> 302,075
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	373,672
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).		(2,002,793)
Change in net position of governmental activities (A-2)		<u>\$ 6,645,075</u>

Proprietary Fund

Livingston Board of Education
Proprietary Fund

Statement of Net Position

June 30, 2021

	Major Enterprise Fund
	Food Service
Assets	
Current assets:	
Cash and cash equivalents	\$ 243,341
Inventories	21,987
Total current assets	265,328
Non-current assets:	
Capital assets - depreciable:	
Equipment	339,923
Accumulated depreciation	(232,431)
Total capital assets, net	107,492
Total assets	372,820
Liabilities	
Current liabilities:	
Accounts payable	12,082
Interfund payable	25,422
Unearned revenue	190,542
Purchase agreement payable	21,605
Total current liabilities	249,651
Noncurrent liabilities:	
Purchase agreement payable	38,397
Total noncurrent liabilities	38,397
Total liabilities	288,048
Net position	
Net investment in capital assets	47,490
Unrestricted	37,282
Total net position	\$ 84,772

See accompanying notes to the basic financial statements.

Livingston Board of Education
Proprietary Fund
Statement of Revenues, Expenses and
Changes in Fund Net Position

Year ended June 30, 2021

	Major Enterprise Fund Food Service
Operating revenues:	
Local sources:	
Daily food sales	\$ 34,741
Total operating revenues	34,741
Operating expenses:	
Salaries	159,387
Employee benefits	17,627
Supplies and materials	4,793
Purchased property services	24,995
Other purchased services	8,717
Cost of sales	23,087
Depreciation	32,641
Management fee	948
Miscellaneous	39
Total operating expenses	272,234
Operating (loss)	(237,493)
Nonoperating revenues:	
Interest	564
Vendor contribution	30,000
Total nonoperating revenues	30,564
Change in net position before transfers	(206,929)
Transfers	155,000
Change in net position	(51,929)
Total net position-beginning	136,701
Total net position-ending	\$ 84,772

See accompanying notes to the basic financial statements.

Livingston Board of Education
Proprietary Fund

Statement of Cash Flows

Year ended June 30, 2021

	<u>Major Enterprise Fund Food Service</u>
Cash flows from operating activities	
Receipts from customers	\$ 7,263
Payments to employees and for employee benefits	(177,014)
Payments to suppliers	(132,441)
Net cash used in operating activities	<u>(302,192)</u>
Cash flows from capital and related financing activities	
Payment of purchase agreement payable	(24,712)
Net cash used in capital and related financing activities	<u>(24,712)</u>
Cash flows from noncapital financing activities	
Transfers from other funds	155,000
Contribution from vendor	30,000
Net cash provided by noncapital financing activities	<u>185,000</u>
Cash flows from investing activities	
Interest received	564
Net cash provided by investing activities	<u>564</u>
Net decrease in cash and cash equivalents	(141,340)
Cash and cash equivalents, beginning of year	384,681
Cash and cash equivalents, end of year	<u><u>\$ 243,341</u></u>
Reconciliation of operating (loss) to net cash used in operating activities	
Operating (loss)	\$ (237,493)
Adjustments to reconcile operating (loss) to net cash used in operating activities:	
Depreciation	32,641
Change in assets and liabilities:	
Decrease in inventory	18,500
Decrease in accounts payable	(88,362)
Decrease in unearned revenue	(27,478)
Net cash used in operating activities	<u><u>\$ (302,192)</u></u>

See accompanying notes to the basic financial statements.

Livingston Board of Education

Notes to the Basic Financial Statements

Year ended June 30, 2021

1. Summary of Significant Accounting Policies

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

A. Reporting Entity

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

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

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

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

Livingston Board of Education

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2021

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 activities of the District. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported in the basic financial statements and are reported separately from business-type activities, which rely on a significant extent on fees and charges for support.

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

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual proprietary funds are reported as separate columns in the fund financial statements. The New Jersey Department of Education requires all funds be reported as major to promote consistency among school districts in the State of New Jersey.

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

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers all revenues to be available if they are collected within sixty days of the end of the current fiscal year. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, unfunded pension liabilities and capital leases, are recorded only when payment is due.

Livingston Board of Education

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2021

1. Summary of Significant Accounting Policies (continued)

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

In accordance with GASB Statement No. 72, funds invested in solar renewable energy certificates associated with the current fiscal period are considered revenue under the full accrual and modified accrual basis of accounting. These investments, however, are not recognized on the budgetary basis of accounting until sold or expected to be sold within sixty days after year end.

The District has reported the following major governmental funds:

General Fund: The general fund is the general operating fund of the District and is used to account for all financial resources except those required to be accounted for in another fund. Included are certain expenditures for vehicles and movable instructional or non-instructional equipment, which are classified in the capital outlay sub-fund.

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

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

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

The District reports the following major proprietary fund:

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

Livingston Board of Education

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2021

1. Summary of Significant Accounting Policies (continued)

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

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the District enterprise fund are charges for sales of food. Operating expenses for the enterprise fund include the cost of sales, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

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

Livingston Board of Education

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2021

1. Summary of Significant Accounting Policies (continued)

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.

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

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

E. Cash, Cash Equivalents and Investments

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

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

Livingston Board of Education

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2021

1. Summary of Significant Accounting Policies (continued)

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 fair value, using the first-in, first-out (FIFO) method.

H. Capital Assets

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

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

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

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

Livingston Board of Education

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2021

1. Summary of Significant Accounting Policies (continued)

I. Accrued Salaries and Wages

Certain District employees who provided services to the District over the ten-month academic year have the option to have their salaries evenly disbursed during the entire twelve-month year. New Jersey statutes require that these earned but not disbursed amounts be retained in a separate bank account. The amount earned by these employees and not disbursed as of June 30, 2021 was \$2,548,371 and is included in liabilities – payroll deductions and withholdings payable in the general fund.

J. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. 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, 2021 amounted to \$205,052 and the remaining balance at June 30, 2021 is \$2,376,060.

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.

Livingston Board of Education

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2021

1. Summary of Significant Accounting Policies (continued)

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

As of June 30, 2021, a liability existed for compensated absences in the government-wide financial statements in the amount of \$6,978,405.

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.
- 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.

Livingston Board of Education

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2021

1. Summary of Significant Accounting Policies (continued)

N. Fund Balances (continued)

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 \$18,648,973 of fund balance in the General Fund, \$6,426,849, has been restricted in the capital reserve account, \$1,000,000 has been restricted in an emergency reserve account, \$1,933,885 has been restricted for excess surplus-current year, \$1,925,588 has been restricted for prior year excess surplus that has been designated for subsequent year's expenditures, \$542,852 has been reserved for unemployment compensation, \$350,389 of outstanding encumbrances is assigned to other purposes, and \$6,469,410 is unassigned. There is \$4,540,653 of fund balance in the Capital Projects Fund at June 30, 2021, which is restricted for capital projects. There is \$362,541 of fund balance at June 30, 2021 in the Debt Service Fund, of which \$196,768 has been budgeted for use in the 2021-22 budget.

Livingston Board of Education

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2021

1. Summary of Significant Accounting Policies (continued)

O. Net Position

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

P. Management Estimates

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

Q. On-Behalf Payments

Revenues and expenditures of the general fund include payments made by the State of New Jersey social security and post-retirement pension and medical contributions for certified teachers and other members of the New Jersey Teachers Pension and Annuity Fund. Additionally, revenues and expenses related to on behalf pension contributions in the government-wide financial statements have been increased by \$5,826,195 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.

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, 2021 was \$3,859,453. Of this amount, \$1,925,588 has been appropriated in the 2021-22 budget and the remaining \$1,933,885 will be appropriated in the 2022-23 budget.

Livingston Board of Education

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2021

1. Summary of Significant Accounting Policies (continued)

S. GASB Pronouncements

Recently Issued and Adopted Accounting Principles

The GASB issued Statement No. 87, *Leases* in June 2017. This Statement establishes standards of accounting and financial reporting for leases by lessees and lessors. The requirements of this Statement are effective for periods beginning after June 15, 2021. Management has not determined the impact of the Statement on the financial statements.

The GASB issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period* in June 2018. This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. The requirements of this Statement are effective for periods beginning after December 15, 2020. Management has not determined the impact of the Statement on the financial statements.

The GASB issued Statement No. 91, *Conduit Debt Obligations* in May 2019. This Statement establishes a single method of reporting conduit debt obligations by issuers to eliminate diversity in practice. The requirements of this Statement are effective for periods beginning after December 15, 2021. Management has not determined the impact of the Statement on the financial statements.

The GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements* in May 2020. This Statement provides guidance on accounting and financial reporting for subscription-based information technology arrangements. The requirements of this Statement are effective for periods beginning after June 15, 2022. Management has not determined the impact of the Statement on the financial statements.

T. Subsequent Events

Management has reviewed and evaluated all events and transactions that occurred between June 30, 2021 and March 8, 2022 the date that the financial statements were available for issuance. The effect of those events and transactions that provide additional pertinent information about conditions that existed at the balance sheet and statement of net position date, have been recognized in the accompanying financial statements.

District operations and the ways in which education is provided have been disrupted by the outbreak of the novel coronavirus COVID-19. Going forward, COVID-19 could further limit the District's operations, including unexpected deferrals of tax payments from the municipality, deferrals or reductions in state aid or an increase in expenses associated with this or any other potential infectious disease outbreak. District management cannot reasonably predict how

Livingston Board of Education

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2021

1. Summary of Significant Accounting Policies (continued)

T. Subsequent Events (continued)

long the Pandemic in New Jersey is expected to last and how the outbreak may impact the financial condition or operations of the District. District management continues to monitor the Pandemic and plans to take action to address any significant impact on future operations.

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 \$88,501,134 difference are as follows:

Bonds payable	\$ 70,085,000
Premium on bonds and leases	6,713,474
Capital leases payable	4,724,255
Compensated absences	<u>6,978,405</u>
Net adjustment to reduce fund balance - total governmental funds to arrive at net position - governmental activities	<u>\$ 88,501,134</u>

3. Deposits and Investments

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

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

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

Livingston Board of Education

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2021

3. Deposits and Investments (continued)

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

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

Deposits

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

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, 2021, the carrying amount of the District’s deposits was \$24,594,676 and the bank balance was \$26,603,442 not including funds deposited in NJCMF. Of the bank balance, \$500,000

Livingston Board of Education

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2021

3. Deposits and Investments (continued)

was secured by federal depository insurance. The New Jersey Governmental Unit Deposit Protection Act (GUDPA) covered the bank balance of \$22,949,522. \$3,153,920 held in the District agency accounts is 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. New Jersey Cash Management Fund and New Jersey Asset and Rebate Management Fund.

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The District has the following recurring fair value measurement as of June 30, 2021:

- Solar Renewable Energy Credits in the amount of \$65,314 are valued using quoted market prices (Level 1 inputs).

Livingston Board of Education

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2021

3. Deposits and Investments (continued)

New Jersey Cash Management Fund

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

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 \$151,996, which are classified as cash equivalents and are considered uncategorized.

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

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

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

Concentration of Credit Risk: The District places no limit on the amount the District may invest in any one issuer. At June 30, 2021, all of the District’s investments were invested in NJCMF and SRECs.

Livingston Board of Education

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2021

4. Capital Assets

The following schedule is a summarization of the governmental activities changes in capital assets for the year ended June 30, 2021:

	Beginning Balance	Increases	Ending Balance
Governmental activities:			
Capital assets, not being depreciated:			
Land	\$ 3,253,263		\$ 3,253,263
Total capital assets, not being depreciated	3,253,263		3,253,263
Capital assets, being depreciated:			
Land improvements	2,891,343		2,891,343
Buildings and building improvements	194,421,965	\$ 448,423	194,870,388
Machinery, equipment and vehicles	20,340,529	2,003,735	22,344,264
Total capital assets being depreciated	217,653,837	2,452,158	220,105,995
Less accumulated depreciation for:			
Land improvements	(2,368,121)	(53,639)	(2,421,760)
Buildings and building improvements	(54,963,093)	(4,906,791)	(59,869,884)
Machinery, equipment and vehicles	(13,869,811)	(1,576,692)	(15,446,503)
Total accumulated depreciation	(71,201,025)	(6,537,122)	(77,738,147)
Total capital assets, being depreciated, net	146,452,812	(4,084,964)	142,367,848
Governmental activities capital assets, net	\$ 149,706,075	\$ (4,084,964)	\$ 145,621,111

Livingston Board of Education

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2021

4. Capital Assets (continued)

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

Current:	
Instruction	\$ 3,876,138
Undistributed – current:	
Instruction	402,072
Attendance/social work	2,976
Health services	62,989
Support services	640,959
Improvement of instruction	151,372
Other support – instruction staff	41,820
School library	84,167
General administration	73,458
School administration	280,008
Required maintenance of plant services	109,160
Operation of plant	385,907
Student transportation	174,378
Central services	114,001
Administrative information technology	137,717
Total depreciation expense – governmental activities	\$ 6,537,122

The following is a summary of business-type activity changes in capital assets for the year ended June 30, 2021:

	Beginning Balance	Increases	Ending Balance
Business-type activity:			
Capital assets, being depreciated:			
Equipment	\$ 339,923		\$ 339,923
Less accumulated depreciation for:			
Equipment	(199,790)	\$ (32,641)	(232,431)
Business-type activity capital assets, net	\$ 140,133	\$ (32,641)	\$ 107,492

Livingston Board of Education

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2021

5. Long-Term Liabilities

During the year ended June 30, 2021, the following changes occurred in long-term liabilities:

	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Governmental activities:					
Compensated absences payable	\$ 4,975,612	\$ 2,381,770	\$ 378,977	\$ 6,978,405	\$ 395,268
Premium on bonds	7,106,693		480,325	6,626,368	480,325
Premium on capital lease	113,908		26,802	87,106	26,802
Serial bonds payable	75,095,000		5,010,000	70,085,000	5,425,000
Obligations under capital leases	4,595,691	1,800,000	1,671,436	4,724,255	1,743,009
Subtotal	91,886,904	4,181,770	7,567,540	88,501,134	8,070,404
Net pension liability	26,013,843		2,398,588	23,615,255	
Governmental activities long-term liabilities	<u>\$ 117,900,747</u>	<u>\$ 4,181,770</u>	<u>\$ 9,966,128</u>	<u>\$ 112,116,389</u>	<u>\$ 8,070,404</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. The net pension liability will be liquidated with payments from the general fund.

	Beginning Balance	Reductions	Ending Balance	Due within One Year
Business-type activities:				
Purchase agreement payable	\$ 84,714	\$ 24,712	\$ 60,002	\$ 21,605
Business-type activities long-term liabilities	<u>\$ 84,714</u>	<u>\$ 24,712</u>	<u>\$ 60,002</u>	<u>\$ 21,605</u>

Bonds Payable

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

Livingston Board of Education

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2021

5. Long-Term Liabilities (continued)

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

	Principal	Interest	Total
Year ending June 30:			
2022	\$ 5,425,000	\$ 2,963,300	\$ 8,388,300
2023	5,460,000	2,731,675	8,191,675
2024	5,190,000	2,505,050	7,695,050
2025	5,140,000	2,280,363	7,420,363
2026	5,295,000	2,049,550	7,344,550
2027-2031	21,660,000	7,355,775	29,015,775
2032-2036	18,270,000	3,268,913	21,538,913
2037	3,645,000	45,250	3,690,250
	\$ 70,085,000	\$23,199,876	\$93,284,876

At June 30, 2021, there are bonds and notes authorized but not issued in the amount of \$6,410,849.

Bonds payable at June 30, 2021 are comprised of the following issues:

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

\$8,500,000, 2013 school bonds due in annual installments ranging from \$350,000 to \$700,000 through August 2028 at interest rates ranging from 2.0% to 3.0%.

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

\$61,010,000, 2016 school bonds due in annual installments ranging from \$1,810,000 to \$3,945,000 through July 2037 at interest rates ranging from 4.0% to 5.0%.

Capital Leases Payable

The District has remaining capital leases totaling \$4,724,255 with interest rates ranging from 0.93% to 5.00%. The terms of the leases are from three to five years. The following is a schedule of the future

Livingston Board of Education

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2021

5. Long-Term Liabilities (continued)

minimum lease payments under these capital leases, and the present value of the net minimum lease payments at June 30, 2021:

Fiscal year:	<u>Amount</u>
2022	\$ 1,857,899
2023	1,782,686
2024	936,714
2025	238,514
2026	<u>114,457</u>
Total minimum lease payments	4,930,270
Less: amount representing interest	<u>(206,015)</u>
Present value of net minimum lease payments	<u><u>\$ 4,724,255</u></u>

Many of the assets acquired through the capital leases are below the capitalization threshold of the District. Assets capitalized through capital leases at June 30, 2021 are as follows:

Machinery, equipment and vehicles	\$ 15,414,418
Less accumulated depreciation	<u>(10,809,603)</u>
Total	<u><u>\$ 4,604,815</u></u>

Purchase Agreement Payable – Enterprise Fund

The District's food services agreement with Aramark authorizes Aramark to purchase food service equipment for use on the District's premises. The District reimburses Aramark, interest free, on a monthly basis for a term of three or five years, based on the useful life of the equipment.

The following is a schedule of future payments under the purchase agreement payable at June 30, 2021:

Fiscal Year:	<u>Amount</u>
2022	\$ 21,605
2023	20,576
2024	<u>17,821</u>
Total purchase agreement payable	<u><u>\$ 60,002</u></u>

Livingston Board of Education

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2021

6. Pension Plans

Description of Systems

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

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 fulltime public school employees in the State. Membership is mandatory for such employees and vesting occurs after 10 years of service for pension benefits and 25 years for health care coverage. Age eligibility and benefit provisions were affected by Chapters 92 and 103, P.L. 2007, Chapter 89, P.L. 2008, Chapter 1, P.L. 2010, and Chapter 78, P.L. 2011. Members are classified into one of five tiers dependent upon the date of their enrollment. Tier 1, 2 and 3 members are eligible to retire at age 60, 60, and 62, respectively with an annual benefit generally determined to be 1/55th of the average annual compensation for the highest three fiscal years' compensation for each year of membership during years of credited service. Tier 4 and 5 members are eligible to retire at age 62 and 65, respectively with an annual benefit generally determined to be 1/60th of the average annual compensation for the highest five fiscal years' compensation for each year of membership during years of credited service. Anyone who retires early and is under their respective tier's retirement age receives retirement benefits as calculated in the above mentioned formulas but at a reduced rate in accordance with applicable New Jersey Statute based upon their tier.

Public Employee's Retirement System

The Public Employees' Retirement System was established in January 1955 under the provisions of N.J.S.A. 43:15A to provide coverage including post-retirement health care to substantially all fulltime employees of the State or any county, municipality, school district 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

Livingston Board of Education

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2021

6. Pension Plans (continued)

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.

Defined Contribution Retirement Program

The Defined Contribution Retirement Program (DCRP) is a multiple-employer defined contribution pension fund established on July 1, 2007 under the provisions of Chapter 92, P.L. 2007, and Chapter 103, P.L. 2007 (N.J.S.A. 43:15C-1 et seq.). The DCRP is a tax-qualified defined contribution money purchase pension plan under Internal Revenue Code (IRC) 401(a) et seq., and is a "governmental plan" within the meaning of IRC 414(d). The DCRP provides retirement benefits for eligible employees and their beneficiaries. Individuals covered under DCRP are employees enrolled in TPAF or PERS on or after July 1, 2007 who earn salary in excess of established "maximum compensation" limits; employees otherwise eligible to enroll in TPAF or PERS on or after November 2, 2008, who do not earn the minimum annual salary for tier 3 enrollment but who earn salary of at least \$5,000 annually; and employees otherwise eligible to enroll in TPAF or PERS after May 21, 2010 who do not work the minimum number of hours per week required for tiers 4 or 5 enrollment, but who earn a salary of at least \$5,000 annually.

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 are 7.5% of employees' annual compensation. Employers are required to contribute at an actuarially determined rate in both the TPAF and PERS. DCRP plan members are

Livingston Board of Education

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2021

6. Pension Plans (continued)

required to contribute 5.5% of their annual covered salary. In addition to employee contributions, the employer is required to contribute 3% of the covered salary to the DCRP.

The actuarially determined contribution includes funding for noncontributory death benefits and post-retirement medical premiums. Under current statute the District is a non-contributing employer of the TPAF.

During the year ended June 30, 2021, the State of New Jersey contributed \$18,978,914 to the TPAF for on-behalf medical benefits, long-term disability insurance and pension contributions on behalf of the District. Also, in accordance with N.J.S.A. 18A:66-66, the State of New Jersey reimbursed the District \$3,967,225 during the year ended June 30, 2021 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 Government-wide and fund financial statements.

The District's actuarially determined contributions to PERS for the years ended June 30, 2021, 2020 and 2019 were \$1,584,185, \$1,404,331, and \$1,379,877, respectively, equal to the required contributions for each year.

For the years ended June 30, 2021, 2020, and 2019, employee contributions to DCRP were \$227,744, \$222,094 and \$232,137, respectively. Employer contributions for the years ended June 30, 2021, 2020, and 2019 were \$167,704, \$163,543 and \$171,115, respectively.

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, 2021, the District reported a liability of \$23,615,255 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation July 1, 2019, which was rolled forward to June 30, 2020. 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

Livingston Board of Education

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2021

6. Pension Plans (continued)

pension plan relative to the projected contributions of all participating school districts, actuarially determined. At June 30, 2020, the District's proportion was 0.1448132577 percent, which was an increase of 0.0004401569 percent from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the District recognized full accrual pension expense of (\$373,672) in the government-wide financial statements. At June 30, 2021, 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	\$ 766,106	\$ 9,887,931
Difference between expected and actual experience	429,995	83,514
Changes in proportion	1,298,567	
Net difference between projected and actual earnings on pension plan investments	807,188	
Changes in proportion and differences between District contributions and proportionate share of contributions		10,706
District contributions subsequent to the measurement date	1,666,842	
	\$ 4,968,698	\$ 9,982,151

\$1,666,842 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:	
2022	\$ (2,292,767)
2023	(2,335,205)
2024	(1,336,132)
2025	(581,827)
2026	(134,364)
	\$ (6,680,295)

Livingston Board of Education

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2021

6. Pension Plans (continued)

Actuarial Assumptions

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

Inflation rate:	
Price	2.75%
Wage	3.25%
Salary increases:	
Through 2026	2.00-6.00%
	based on years of service
Thereafter	3.00-7.00%
	based on years of service
Investment rate of return	7.00%

The actuarial assumptions used in the July 1, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

Mortality Rates

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

Livingston Board of Education

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2021

6. Pension Plans (continued)

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2020) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2020 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Emerging markets equity	27.00%	7.71%
Non-U.S. developed markets equity	13.50%	8.57%
Emerging markets equity	5.50%	10.23%
Private equity	13.00%	11.42%
Real assets	3.00%	9.73%
Real estate	8.00%	9.56%
High yield	2.00%	5.95%
Private credit	8.00%	7.59%
Investment grade credit	8.00%	2.67%
Cash equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Risk mitigation strategies	3.00%	3.40%
	<u>100.00%</u>	

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2020. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 78% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions

Livingston Board of Education

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2021

6. Pension Plans (continued)

for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

Sensitivity of the 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, 2020 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 (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	At 1% decrease (6.00%)	At current discount rate (7.00%)	At 1% increase (8.00%)
District's proportionate share of the net pension liability	\$ 29,727,666	\$ 23,615,255	\$ 18,428,707

Pension Plan Fiduciary Net Position

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

Additional Information

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

Deferred outflows of resources	\$ 2,347,583,337
Deferred inflows of resources	\$ 7,849,949,467
Net pension liability	\$ 16,435,616,426
District's Proportion	0.1448132577%

Livingston Board of Education

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2021

6. Pension Plans (continued)

Collective pension expense for the Local Group for the measurement period ended June 30, 2020 is \$407,705,399.

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, 2020, 2019, 2018, 2017, 2016, 2015 and 2014 is 5.16, 5.21, 5.63, 5.48, 5.57, 5.72, and 6.44 years, respectively.

Special Funding Situation - 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, 2020 was \$325,970,780. The District's proportionate share was \$0.

The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. The State's proportionate share of the net pension liability associated with the District was based on 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, 2020, the State's proportionate share of the TPAF net pension liability associated with the District was 0.4950292121 percent, which was an increase of 0.0026709503 percent from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the District recognized on-behalf pension expense and revenue in the government-wide financial statements of \$10,361,053 for contributions incurred by the State.

Livingston Board of Education

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2021

6. Pension Plans (continued)

Actuarial assumptions

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

Inflation rate:	
Price	2.75%
Wage	3.25%
Salary increases:	
Through 2026	1.55 – 4.55%
	based on years of service
Thereafter	2.75 – 5.65%
	based on years of service
Investment rate of return	7.00%

Mortality Rates

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

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

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2020) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage by adding expected inflation.

Livingston Board of Education

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2021

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, 2019 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. equity	27.00%	7.71%
Non-U.S. developed markets equity	13.50%	8.57%
Emerging markets equity	5.50%	10.23%
Private equity	13.00%	11.42%
Real assets	3.00%	9.73%
Real estate	8.00%	9.56%
High yield	2.00%	5.95%
Private credit	8.00%	7.59%
Investment grade credit	8.00%	2.67%
Cash equivalents	4.00%	0.50%
U.S. treasuries	5.00%	1.94%
Risk mitigation strategies	3.00%	3.40%
	<u>100.00%</u>	

Discount Rate

The discount rate used to measure the total pension liability was 5.40% as of June 30, 2020. This single blended discount rate was based on the long-term rate of return on pension plan investments of 7.00%, and a municipal bond rate of 2.21% as of June 30, 2020 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 78% of the actuarially determined contributions for the State. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2062. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2062, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the 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, 2020, 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

Livingston Board of Education

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2021

6. Pension Plans (continued)

if it were calculated using a discount rate that is 1- percentage-point lower (4.40 percent) or 1- percentage-point higher (6.40 percent) than the current rate:

	At 1% decrease (4.40%)	At current discount rate (5.40%)	At 1% increase (6.40%)
State's proportionate share of the net pension liability associated with the District	\$ 382,890,857	\$ 325,970,780	\$ 278,708,210

Pension plan fiduciary net position

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

Additional Information

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

Deferred outflows of resources	\$ 9,589,140,982
Deferred inflows of resources	\$ 14,409,361,877
Net pension liability	\$ 65,848,796,740
District's Proportion	0.4950292121%

Collective pension expense-Local Group for the plan for the measurement period ended June 30, 2020 is \$4,114,319,534.

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, 2020, 2019, 2018, 2017, 2016, 2015, and 2014 is 7.99, 8.04, 8.29, 8.30, 8.30, 8.30, and 8.50 years, respectively.

7. Post-Retirement Benefits

Plan description and benefits provided

The State of New Jersey reports a liability as a result of its statutory requirements to pay other post-employment (health benefits) for State Health Benefit Local Education Retired Employees Plan.

Livingston Board of Education

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2021

7. Post-Retirement Benefits (continued)

The State Health Benefit Local Education Retired Employees Plan is a multiple-employer defined benefit OPEB plan that is administered on a pay-as-you-go basis. Accordingly, no assets are accumulated in a qualifying trust that meets the criteria in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for the Postemployment Benefits Other than Pensions*. The State Health Benefit Local Education Retired Employees Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and their covered dependents of local education employers. The State Health Benefits Program Act is found in New Jersey Statutes Annotated, Title 52, Article 17.25 et seq. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. The State of New Jersey Division of Pension and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for SHBP. That report may be obtained by writing to Division of Pension and Benefits, PO Box 295, Trenton, NJ 08625-0295.

The employer contributions for the participating local education employers are legally required to be funded by the State of New Jersey in accordance with N.J.S.A. 52:14-17.32f. According to N.J.S.A. 52:14-17.32f, the State provides employer-paid coverage to employees who retire from a board of education or county college with 25 years or more of service credit in or retires in a disability pension from one or more of the following plans: the Teachers' Pension and Annuity Fund (TPAF), the Public Employees' Retirement System (PERS) or the Alternate Benefit Program (ABP). Pursuant to Chapter 78, P.L. 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of health care coverage in retirement provided that they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree's annual retirement coverage.

Certain local participating employers also provide post-retirement medical coverage to their employees. Retirees who are not eligible for employer paid health coverage at retirement can continue in the program if their employer participates in this program or if they are participating in the health benefits plan of their former employer and are enrolled in Medicare Parts A and B by paying the cost of the insurance for themselves and their covered dependents. In Fiscal Year 2020, the State paid PRM benefits for 143,053 State and local retirees. The total nonemployer OPEB liability does not include certain other postemployment obligations that are provided by the local education employers.

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, 2021, 2020 and 2019 were \$4,525,542, \$4,100,276 and \$4,484,364, respectively, which equaled the required contributions for each year.

Livingston Board of Education

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2021

7. Post-Retirement Benefits (continued)

The State funds post-retirement medical benefits on a “pay-as-you-go” basis, which means that the State does not pre-fund, or otherwise establish a reserve or other pool of assets against the PRM expenses that the State may incur in future years. For Fiscal Year 2020, the State contributed \$1.578 billion to pay for pay-as-you-go PRM benefit costs incurred by covered retirees. The State’s “pay-as-you-go” contributions have decreased from Fiscal Year 2019 amounts. Reductions are attributable to various cost savings initiatives implemented by the State, including the new Medicare Advantage contracts. The State has appropriated \$1.775 billion in Fiscal Year 2021 as the State’s contribution to fund pay-as-you-go PRM costs.

In accordance with the provisions of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, the State is required to quantify and disclose its obligations to pay Other Postemployment Benefits (OPEB) to retired plan members. This new standard supersedes the previously issued guidance, GASB Statement No. 45, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, effective for Fiscal Year 2018. The State is now required to accrue a liability in all instances where statutory language names the State as the legal obligor for benefit payments. The Fiscal Year 2020 total State OPEB liability to provide these benefits is \$65.5 billion, a decrease of \$10.5 billion of 13.8 percent from the \$76.0 billion liability recorded in Fiscal Year 2019.

The School Employees Health Benefits Program (SEHBP) Act is found in New Jersey Statutes Annotated, Title 52, Article 17.25 et. seq. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASBS No. 75.

Total OPEB Liability

The total non-employer (State) OPEB liability from New Jersey’s plan is \$67,809,962,608.

Livingston Board of Education

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2021

7. Post-Retirement Benefits (continued)

Changes in Total OPEB Liability

Below represents the changes in the State's portion of the OPEB liability associated with the District for the year ended June 30, 2021:

	<u>Total OPEB Liability</u>
Beginning Total OPEB Liability June 30, 2019	\$ 156,101,405
Changes for the year	
Service cost	6,882,558
Interest	5,630,788
Difference between expected and actual experience	41,161,708
Changes in assumptions or other inputs	45,934,094
Member contributions	132,691
Benefit payments	(4,377,806)
Net changes	95,364,033
Ending Total OPEB Liability June 30, 2020	\$ 251,465,438

Employees covered by benefit terms

The following employees were covered by the benefit terms:

<u>Local Education Group</u>	<u>June 30, 2020</u>
Active Plan Members	216,804
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	149,304
Inactive Plan Members Entitled to but Not Receiving Benefits	-
Total Plan Members	366,108

The State, a nonemployer contributing entity, is the only entity that has a legal obligation to make employer contributions to OPEB for qualified retired PERS and TPAF participants. The District's proportionate share percentage determined under paragraphs 193 and 203 through 205 of GASBS No. 75 is zero percent. Accordingly, the District did not recognize any portion of the collective OPEB liability on the Statement of Net Position. The State's proportionate share of the total OPEB liability associated with the District as of June 30, 2021 was \$152,962,549. Additional information can be obtained from the State of New Jersey's annual comprehensive financial report.

Livingston Board of Education

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2021

7. Post-Retirement Benefits (continued)

Actuarial assumptions and other inputs

The total nonemployer OPEB liability in the June 30, 2020 was determined by an actuarial valuation as of June 30, 2019, which was rolled forward to June 30, 2020 and included in the June 30, 2020 audited financial statements of the State Health Benefit Local Education Retired Employees Plan. The actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

	TPAF	PERS
Inflation rate:	2.50%	2.50%
Salary increases:		
Through 2026	1.55-4.45%	2.00-6.00%
	based on years of service	based on years of service
Thereafter	1.55-4.45%	3.00-7.00%
	based on years of service	based on years of service

Mortality Rates

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

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of the actual experience studies for the periods July 1, 2015 – June 30, 2018 and July 1, 2014 – June 30, 2018 for TPAF and PERS, respectively.

Discount Rate

The discount rate for June 30, 2020 was 2.21%. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

Livingston Board of Education

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2021

7. Post-Retirement Benefits (continued)

Health Care Trend Assumptions

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

The following represents sensitivity of total non-employer OPEB liability to changes in the discount rate and health care cost rate

The following presents the total non-employer OPEB liability associated with the District as of June 30, 2020 calculated using a discount rate as disclosed above as well as what the total non-employer OPEB liability would be if it was calculated using a discount rate that is 1-percentage-point lower (1.21 %) or 1-percentage-point higher (3.21%) than the current discount rate:

	At 1% decrease (1.21%)	At current discount rate (2.21%)	At 1% increase (3.21%)
Total OPEB Liability (Allocable to the District and the responsibility of the State)	\$ 303,154,565	\$ 251,465,438	\$ 211,049,519

The following presents the non-employer OPEB liability associated with the District as of June 30, 2020 calculated as disclosed above as well as what the total non-employer OPEB liability would be if it was calculated using a healthcare cost trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rate:

	At 1% decrease	Healthcare Cost Trend Rates	At 1% increase
Total OPEB Liability (Allocable to the District and the responsibility of the State)	\$ 202,991,382	\$ 251,465,438	\$ 309,187,265

Livingston Board of Education

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2021

7. Post-Retirement Benefits (continued)

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

For the year ended June 30, 2021, the District recognized on-behalf OPEB expense and revenue in the government-wide financial statements of \$13,173,325 for OPEB expenses incurred by the State.

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

Deferred outflows of resources	\$ 24,023,298,802
Deferred inflows of resources	\$ 19,101,933,244
Collective OPEB expense	\$ 3,337,755,596

District's Proportion 0.37%

Special Funding Situation

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

8. Interfund Receivables and Payables

The total interfund accounts receivable and payable for the District at June 30, 2021 is as follows:

Fund	Interfund Receivable	Interfund Payable
General Fund	\$ 435,788	\$ 7,956
Special Revenue Fund	7,956	409,628
Capital Projects Fund		738
Food Service Enterprise Fund		25,422
	\$ 443,744	\$ 443,744

The net interfund of \$401,672 between the general fund and special revenue fund represents expenditures related to the special revenue fund that were made out of the general fund.

The interfund of \$738 between the capital projects fund and the general fund represents interest earned in the capital projects fund that has not been turned over to the general fund at June 30,

Livingston Board of Education

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2021

8. Interfund Receivables and Payables (continued)

2021. New Jersey statutes require that interest earned on the investments in the capital projects fund be credited to the general or debt service fund. This includes prior year and current year interest.

The interfund between the food service enterprise fund and the general fund in the amount of \$25,422 represents excess transferred from the general fund to the enterprise fund that was made during the prior year and is due back to the general fund as of June 30, 2021.

All interfunds are expected to be liquidated within one year.

9. Economic Dependency

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

10. Contingent Liabilities

The District participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable at June 30, 2021 may be impaired. As a result of the impact of COVID-19, the District has received funding under the Elementary and Secondary School Emergency Relief (ESSER) Fund and Coronavirus Relief Fund (CRF). To the extent that the District has not complied with the rules and regulations governing the ESSER and CRF funds, money may be required to be returned. In the opinion of the District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provisions have been recorded in the accompanying combined financial statements for such contingencies. 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 Board.

11. Risk Management

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

Livingston Board of Education

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2021

11. Risk Management (continued)

Property and Liability Insurance

The District maintains commercial insurance coverage for property, liability, student accident and surety bonds and does not retain risk of loss. A complete schedule of insurance coverage can be found in the

Statistical Section of this Annual Comprehensive Financial Report. There have been no significant reductions in insurance coverage from the prior year and no settlements have exceeded insurance coverages over the past three years.

New Jersey Unemployment Compensation Insurance

The District has elected to fund its New Jersey Unemployment Compensation Insurance under the “Benefit Reimbursement Method.” Under this plan, the District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The District is billed quarterly for amounts due to the State. The District’s withholdings are recorded in the unemployment compensation reserve in the general fund. The following is a summary of contributions, payments to the State for benefits paid and the ending balance of the District’s unemployment trust fund for the past three years:

Fiscal Year	Contributions and Interest Earned	Deductions	Ending Balance
2020-21	\$ 568		\$ 542,852
2019-20	557,947	\$ 286,885	542,284
2018-19	94,792	159,624	271,222

12. Transfers – Reconciliation

The following represents transfers between funds during the year ended June 30, 2021:

	Transfers In	Transfers Out
General Fund	\$ 738	\$ 195,920
Capital Projects Fund		738
Debt Service Fund	40,920	
Food Service Enterprise Fund	155,000	
	\$ 196,658	\$ 196,658

Livingston Board of Education

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2021

12. Transfers – Reconciliation (continued)

The transfer from the capital projects fund to the general fund represents interest earned. New Jersey statutes require that interest earned on the investments in the capital projects fund be credited to the general or debt service fund. The transfer from the general fund to the debt service fund represents earnings from SRECs recorded in general fund that were transferred to the debt service fund where the revenue was budgeted. The transfer from the general fund to the food service enterprise fund was to cover an operating deficit in the food service program.

13. Capital Reserve Account

Capital reserve accounts may be established by New Jersey school districts for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget. Funds placed in the capital reserve accounts are restricted to capital projects in the District's Long Range Facilities Plan (LRFP) and updated annually in the Quality Assurance Annual Report (QAAR). Upon submission of the LRFP to the Department of Education, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by Board resolution at year end (June 1 to June 30) of any unanticipated revenue or unexpended line-item appropriation amounts or both. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by separate proposal at budget time or by a special question at one of the four special elections pursuant to N.J.S.A. 19:60-2.

Pursuant to N.J.A.C. 6A:23A-14.1(g), the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The activity of the capital reserve account for the July 1, 2020 to June 30, 2021 fiscal year is as follows:

Beginning balance, July 1, 2020	\$ 3,389,775
Interest earnings	37,074
Deposit per June 2021 resolution	3,000,000
Ending balance, June 30, 2021	<u>\$ 6,426,849</u>

The June 30, 2021 capital reserve balance does not exceed local support costs identified in the District's Long Range Facility Plan at June 30, 2021. The District has not budgeted any capital reserve funds for use in the District's 2021-22 fiscal year.

Livingston Board of Education

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2021

14. Emergency Reserve Account

The District elected to establish a reserve to be used to accumulate funds for the current expense emergency reserve, and in accordance with N.J.S.A. 18A:7F-41 and NJAC 6A:23A-14.4(a)(1), passed a board resolution authorizing the establishment of an emergency reserve account in the District's General Fund. As allowed by N.J.S.A. 18A:7F-41 and N.J.A.C. 6A:23A-14.4(a)(1) the District can pass a board resolution to deposit funds into an emergency reserve account between June 1 and June 30 of each budget year.

The District has \$1,000,000 set aside in an emergency reserve account at June 30, 2021.

15. Commitments

The District has \$350,389 in commitments to vendors that are reported in the balance sheet of the general fund as assigned to other purposes.

During the 2021 fiscal year, the New Jersey Department of Labor has been delayed in issuing bills to New Jersey governmental units and as such the District has not been billed for any quarters during the fiscal year. Unemployment claims for the fiscal year cannot be estimated, however, it is expected that the Federal Government, through the CARES Act will reimburse the State of New Jersey between 50 and 75 percent of all claims incurred. Since the District has not received a bill related to fiscal year 2021, and the amounts due are not known, no provision has been made in the District's financial statements for any liability.

16. GASB 77 Tax Abatements

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

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

Livingston Board of Education

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2021

16. GASB 77 Tax Abatements (continued)

For the 2020 year, the Township recognized revenue of \$81,117 from the annual service charge in lieu of payment of taxes, while the taxes that would have been paid for this property were \$723,668, resulting in a reduction of taxes collected by the Township of \$642,551. A portion of this would have been allocated to the District.

17. Liquidity, Management Plans and Intentions

Due to the COVID-19 Pandemic, the District closed its schools on March 16, 2020 and continued to provide online instruction to its students through the end of the school year. The Pandemic did not have a significant impact on the financial statements of the District for the year ended June 30, 2021. However, the Pandemic did result in the State of New Jersey taking steps to reduce the amount of state aid to be provided to the District in the 2020-21 fiscal year subsequent to the District's adoption of its budget. Management has taken steps to reduce certain expenses related to operating the District and also plans to utilize existing funds to balance its budget for the 2021-22 fiscal year, if needed. Management believes that the unassigned fund balance available as of June 30, 2021 and the anticipated revenues from state aid, taxes and other revenues will be sufficient to meet the District's financial needs for one year from the date of the issuance of this report.

18. Change in Accounting Principle / Retroactive Adjustments

Effective in the fiscal year ended June 30, 2021, the District implemented Governmental Accounting Standards Board Statement No. 84, *Fiduciary Activities*. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. As part of this implementation, the activity in the Unemployment Compensation Insurance Trust fund which had previously been reported in the Fiduciary Funds is now reported in the General fund. In addition, Student Activities and Scholarships are now reported in the Special Revenue Fund. The implementation of the Statement required a retroactive adjustments of prior year net position in the government-wide financial statements and fund balance in the general fund and special revenue fund statement of revenues, expenditures and changes in fund balance.

Livingston Board of Education

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2021

18. Change in Accounting Principle / Retroactive Adjustments (continued)

Government-wide financial statements:

Beginning Net Position - July 1, 2020	<u>\$ 44,279,761</u>
Retroactive Adjustments for:	
Reserve for Unemployment Compensation	542,284
Reserve for Student Activities	<u>313,614</u>
	<u>855,898</u>
Beginning Net Position – July 1, 2020 (as adjusted)	<u>\$ 45,135,659</u>

Government Fund financial statements:

Beginning Fund Balance - July 1, 2020	<u>\$ 16,172,714</u>
Retroactive Adjustments for:	
Reserve for Unemployment Compensation	542,284
Reserve for Student Activities	<u>313,614</u>
	<u>855,898</u>
Beginning Fund Balance - July 1, 2020 (as adjusted)	<u>\$ 17,028,612</u>

Required Supplementary Information
Part II

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

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

	Year ended June 30,									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
District's proportion of the net pension liability (asset) - Local Group	0.1448132577%	0.1443731008%	0.1387261505%	0.1388277676%	0.1342613886%	0.1263054356%	0.1261425514%	0.1325548871%	Not available	Not available
District's proportionate share of the net pension liability (asset)	\$ 23,615,255	\$ 26,013,843	\$ 27,314,488	\$ 32,316,885	\$ 39,764,372	\$ 28,353,039	\$ 23,617,336	\$ 25,333,873	Not available	Not available
District's covered payroll	\$ 10,254,116	\$ 10,124,857	\$ 9,927,347	\$ 9,557,009	\$ 9,354,907	\$ 8,637,855	\$ 8,554,915	\$ 8,651,763	\$ 8,831,222	\$ 8,801,531
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	230.30%	256.93%	275.14%	338.15%	425.06%	328.24%	276.07%	292.82%	Not available	Not available
Plan fiduciary net position as a percentage of the total pension liability - Local Group	58.32%	56.27%	53.60%	48.10%	40.14%	47.93%	52.08%	48.72%	Not available	Not available

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

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

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

	Year ended June 30,									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Contractually required contribution	\$ 1,584,185	\$ 1,404,331	\$ 1,379,877	\$ 1,286,091	\$ 1,192,759	\$ 1,123,789	\$ 1,085,888	\$ 1,039,901	\$ 998,774	\$ 1,004,737
Contributions in relation to the contractually required contribution	(1,584,185)	(1,404,331)	(1,379,877)	(1,286,091)	(1,192,759)	(1,123,789)	(1,085,888)	(1,039,901)	(998,774)	(1,004,737)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 9,992,513	\$ 10,254,116	\$ 10,124,857	\$ 9,927,347	\$ 9,557,009	\$ 9,354,907	\$ 8,637,855	\$ 8,554,915	\$ 8,651,763	\$ 8,831,222
Contributions as a percentage of covered payroll	15.85%	13.70%	13.63%	12.96%	12.48%	12.01%	12.57%	12.16%	11.54%	11.38%

See accompanying notes to required supplementary information.

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

	Year ended June 30,									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
State's proportion of the net pension liability (asset) associated with the District - Local Group	0.4950292121%	0.4923582618%	0.4826921006%	0.4700542605%	0.4547057578%	0.4577869858%	0.4317288047%	0.4492756174%	Not available	Not available
District's proportionate share of the net pension liability (asset)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability (asset) associated with the District	\$ 325,970,780	\$ 302,164,913	\$ 307,078,346	\$ 316,927,532	\$ 357,700,500	\$ 289,340,924	\$ 230,744,995	\$ 227,060,363	Not available	Not available
Total proportionate share of the net pension liability (asset) associated with the District	<u>\$ 325,970,780</u>	<u>\$ 302,164,913</u>	<u>\$ 307,078,346</u>	<u>\$ 316,927,532</u>	<u>\$ 357,700,500</u>	<u>\$ 289,340,924</u>	<u>\$ 230,744,995</u>	<u>\$ 227,060,363</u>	<u>\$ -</u>	<u>\$ -</u>
Plan fiduciary net position as a percentage of the total pension liability	24.60%	26.95%	26.49%	25.41%	27.96%	28.71%	33.64%	33.76%	Not available	Not available

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

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

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

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

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	<u>Year Ended June 30,</u> <u>2021</u>	<u>Year Ended June 30,</u> <u>2020</u>	<u>Year Ended June 30,</u> <u>2019</u>	<u>Year Ended June 30,</u> <u>2018</u>	<u>Year Ended June 30,</u> <u>2017</u>
State's proportion of the net OPEB liability (asset) associated with the District -	0.37%	0.36%	0.36%	0.36%	0.36%
District's proportionate share of the net OPEB liability (asset)	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net OPEB liability (asset) associated with the District	\$ 251,465,438	\$ 156,101,405	\$ 169,878,676	\$ 194,419,690	\$ 209,408,366
Total proportionate share of the net OPEB liability (asset) associated with the District	<u>\$ 251,465,438</u>	<u>\$ 156,101,405</u>	<u>\$ 169,878,676</u>	<u>\$ 194,419,690</u>	<u>\$ 209,408,366</u>
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%	0.00%	0.00%
Total OPEB Liability	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017**</u>
Service cost	6,882,558	6,507,141	7,057,004	8,516,952	
Interest cost	5,630,788	6,737,011	7,135,055	6,149,498	
Differences between expected and actual experience	41,161,708	(24,699,104)	(14,853,146)	-	
Changes in assumptions	45,934,094	2,327,485	(19,494,428)	(25,317,771)	
Member contributions	132,691	142,044	156,996	165,818	
Gross benefit payments	<u>(4,377,806)</u>	<u>(4,791,848)</u>	<u>(4,542,495)</u>	<u>(4,503,173)</u>	
Net change in the total OPEB liability	95,364,033	(13,777,271)	(24,541,014)	(14,988,676)	
Total OPEB liability - beginning	<u>156,101,405</u>	<u>169,878,676</u>	<u>194,419,690</u>	<u>209,408,366</u>	
Total OPEB liability - ending	<u>\$ 251,465,438</u>	<u>\$ 156,101,405</u>	<u>\$ 169,878,676</u>	<u>\$ 194,419,690</u>	
Covered-employee payroll	<u>\$ 64,709,858</u>	<u>\$ 63,132,929</u>	<u>\$ 62,791,654</u>	<u>\$ 60,741,598</u>	
Total OPEB liability as a percentage of covered-employee payroll	388.60%	247.26%	270.54%	320.08%	

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

** Information not available

Livingston Board of Education
Notes to Required Supplementary Information
Year ended June 30, 2021

PENSION - PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Benefit Changes

There were none.

Changes of Assumptions

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

PENSION - TEACHERS PENSION AND ANNUITY FUND

Benefit Changes

There were none.

Changes of Assumptions

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

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

Benefit Changes

There were none.

Changes of Assumptions

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

Required Supplementary Information
Part III

Budgetary Comparison Schedules

Livingston Board of Education
General Fund

Budgetary Comparison Schedule
(Budgetary Basis)

Year ended June 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenues					
Local sources:					
Local tax levy	\$ 110,344,955		\$ 110,344,955	\$ 110,344,955	
Tuition	12,500		12,500	117,660	\$ 105,160
Tuition from other LEA's	120,000		120,000	247,236	127,236
Transportation fees from individuals	300,000		300,000	13,192	(286,808)
Interest on investments	50,000		50,000	39,364	(10,636)
Rental income	400,000		400,000	245,336	(154,664)
Miscellaneous	255,000		255,000	306,889	51,889
Total - local sources	111,482,455		111,482,455	111,314,632	(167,823)
State sources:					
Extraordinary aid	172,824		172,824	2,495,779	2,322,955
TPAF - post retirement medical (on behalf - non-budgeted)				4,526,542	4,526,542
Teacher's Pension and Annuity Fund (on behalf-non-budgeted)				14,444,056	14,444,056
Reimbursed TPAF social security (non-budgeted)				3,967,225	3,967,225
TPAF - long-term disability insurance (non-budgeted)				8,316	8,316
Additional nonpublic transportation aid				60,209	60,209
Transportation aid	1,303,530		1,303,530	1,303,530	
Security aid	434,880		434,880	434,880	
Categorical Special Education aid	3,126,294		3,126,294	3,126,294	
Total - state sources	5,037,528		5,037,528	30,366,831	25,329,303
Federal Sources:					
Medical Assistance	42,836		42,836	29,535	(13,301)
Total - federal sources	42,836		42,836	29,535	(13,301)
Total revenues	116,562,819		116,562,819	141,710,998	25,148,179
Expenditures					
Current expenditures:					
Instruction - regular programs:					
Salaries of teachers:					
Preschool	47,658	\$ 5,324	52,982	52,981	1
Kindergarten	1,758,076	(204,664)	1,553,412	1,553,412	
Grades 1-5	10,869,861	207,161	11,077,022	11,076,615	407
Grades 6-8	9,388,845	(247,324)	9,141,521	9,141,056	465
Grades 9-12	13,728,903	145,501	13,874,404	13,874,403	1
Home instruction:					
Salaries of teachers	150,000	(106,000)	44,000	44,000	
Purchased professional-educational services	60,000	(23,000)	37,000	34,927	2,073
Undistributed instruction:					
Other salaries for instruction	448,382	99,343	547,725	547,725	
Purchased professional-educational services	67,500	(27,035)	40,465	37,197	3,268
Purchased technical services	1,500		1,500		1,500
Other purchased services	38,058	(778)	37,280	14,167	23,113
General supplies	1,626,796	227,659	1,854,455	1,640,589	213,866
Textbooks	249,557	6,875	256,432	208,240	48,192
Other objects	15,751		15,751	5,776	9,975
Total instruction - regular programs	38,450,887	83,062	38,533,949	38,231,088	302,861

Livingston Board of Education
General Fund

Budgetary Comparison Schedule
(Budgetary Basis)

Year ended June 30, 2021

	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	\$ 560,074	\$ 18,608	\$ 578,682	\$ 578,681	\$ 1
Other salaries for instruction	3,300,837	64,718	3,365,555	3,297,103	68,452
General supplies	5,000		5,000	1,821	3,179
Total learning and/or language disabilities	3,865,911	83,326	3,949,237	3,877,605	71,632
Multiple Disabilities:					
Salaries of Teachers	402,685	(93,216)	309,469	309,468	1
Other salaries for instruction	1,239,080	(55,493)	1,183,587	1,183,587	
General supplies	23,000		23,000	22,151	849
Total multiple disabilities	1,664,765	(148,709)	1,516,056	1,515,206	850
Resource room/center:					
Salaries of teachers	5,251,516	502,950	5,754,466	5,754,466	
General supplies	40,000		40,000	37,107	2,893
Total resource room/center	5,291,516	502,950	5,794,466	5,791,573	2,893
Preschool disabilities - part time:					
Salaries of teachers	217,383	50,178	267,561	267,561	
Other salaries for instruction	192,358		192,358	100,917	91,441
General supplies	8,000	62,390	70,390	7,034	63,356
Total preschool disabilities - part time	417,741	112,568	530,309	375,512	154,797
Preschool disabilities - full time:					
Salaries of teachers	58,742	8,000	66,742	62,704	4,038
Other salaries for instruction		5,000	5,000	2,957	2,043
Total preschool disabilities-full time	58,742	13,000	71,742	65,661	6,081
Total special education	11,298,675	563,135	11,861,810	11,625,557	236,253
Bilingual education:					
Salaries of teachers	731,728	374	732,102	732,102	
Total bilingual education	731,728	374	732,102	732,102	
Basic skills/remedial instruction:					
Salaries of teachers	1,317,876	(131,492)	1,186,384	1,186,384	
General supplies	2,000		2,000		2,000
Total basic skills/remedial instruction	1,319,876	(131,492)	1,188,384	1,186,384	2,000
Vocational programs - local instruction:					
Salaries of teachers	39,863		39,863	39,749	114
Other purchased services	4,000		4,000		4,000
General supplies	8,000		8,000	1,559	6,441
Other objects	500		500		500
Total vocational programs - local instruction	52,363		52,363	41,308	11,055

Livingston Board of Education
General Fund

Budgetary Comparison Schedule
(Budgetary Basis)

Year ended June 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Expenditures (continued)					
Current expenditures (continued):					
School - sponsored cocurricular activities:					
Salaries	\$ 465,206	\$ (101,408)	\$ 363,798	\$ 363,797	\$ 1
Purchased services	18,265	3,170	21,435	7,921	13,514
Supplies and materials	32,200		32,200	10,204	21,996
Other objects	13,400		13,400	13,400	
Total school - sponsored cocurricular activities	529,071	(98,238)	430,833	395,322	35,511
School - sponsored athletics - instruction:					
Salaries	979,651	(58,892)	920,759	920,759	
Purchased services	143,155		143,155	96,819	46,336
Supplies and materials	96,683	1,120	97,803	75,934	21,869
Total school - sponsored athletics - instruction	1,219,489	(57,772)	1,161,717	1,093,512	68,205
Other instructional programs:					
Purchased services	45,000		45,000	14,425	30,575
Total other instructional programs	45,000		45,000	14,425	30,575
Other supplemental/at-risk programs-instruction:					
Salaries of reading specialists	1,064,699	(95,717)	968,982	949,484	19,498
Total other supplemental/at-risk programs-instruction	1,064,699	(95,717)	968,982	949,484	19,498
Total instruction	54,711,788	263,352	54,975,140	54,269,182	705,958
Undistributed expenditures:					
Instruction:					
Tuition to other LEAs within the state-special	497,057		497,057	494,102	2,955
Tuition to private school for the disabled - within state	4,914,741	96,060	5,010,801	4,908,123	102,678
Tuition to priv sch for the disabled & oth LEAs-Spl, O/S St	473,020		473,020	459,446	13,574
Total undistributed instruction	5,884,818	96,060	5,980,878	5,861,671	119,207
Attendance and social work services:					
Salaries	123,555		123,555	43,392	80,163
Total attendance and social work services	123,555		123,555	43,392	80,163
Health services:					
Salaries	918,599	(28,920)	889,679	889,678	1
Supplies and materials	39,228		39,228	28,615	10,613
Total health services	957,827	(28,920)	928,907	918,293	10,614

Livingston Board of Education
General Fund

Budgetary Comparison Schedule
(Budgetary Basis)

Year ended June 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Expenditures (continued)					
Current expenditures (continued):					
Undistributed expenditures (continued):					
Speech, OT, PT & related services:					
Salaries	\$ 1,056,187	\$ 22,740	\$ 1,078,927	\$ 1,078,927	
Purchased professional - educational services	363,192		363,192	293,158	\$ 70,034
Supplies and materials	11,800		11,800	6,889	4,911
Total speech, OT, PT & related services	1,431,179	22,740	1,453,919	1,378,974	74,945
Other support services - students - extra services:					
Purchased professional - educational services	889,017	59,886	948,903	736,505	212,398
Total other support services - students - extra services	889,017	59,886	948,903	736,505	212,398
Guidance:					
Salaries of other professional staff	2,141,534		2,141,534	1,998,831	142,703
Salaries of secretarial and clerical assistants	241,296	677	241,973	241,973	
Other purchased professional - technical services	15,673		15,673	15,672	1
Other purchased services	700		700		700
Supplies and materials	31,022		31,022	24,303	6,719
Total guidance	2,430,225	677	2,430,902	2,280,779	150,123
Child study teams:					
Salaries of other professional staff	3,465,486	(113,000)	3,352,486	3,351,634	852
Salaries of secretarial and clerical assistants	294,053	29,968	324,021	324,021	
Purchased professional - educational services	102,018	13,000	115,018	30,600	84,418
Other purchased prof. and tech. services	30,600	1,069	31,669	17,050	14,619
Other purchased serv.	5,000		5,000	872	4,128
Supplies and materials	20,000	(2,800)	17,200	17,145	55
Other objects	8,000		8,000	7,915	85
Total child study teams	3,925,157	(71,763)	3,853,394	3,749,237	104,157
Improvement of instructional services:					
Salaries of supervisors of instruction	1,895,290	(28,577)	1,866,713	1,772,111	94,602
Salaries of other professional staff	206,567		206,567	173,585	32,982
Salaries of secretaries and clerical assistants	302,290	(7,501)	294,789	224,082	70,707
Purchased professional - educational services	52,500	(30,000)	22,500	22,000	500
Supplies and materials	20,025	(2,900)	17,125	13,090	4,035
Other objects	7,300		7,300	1,926	5,374
Total improvement of instructional services	2,483,972	(68,978)	2,414,994	2,206,794	208,200

Livingston Board of Education
General Fund

Budgetary Comparison Schedule
(Budgetary Basis)

Year ended June 30, 2021

	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	\$ 1,120,093		\$ 1,120,093	\$ 1,101,499	\$ 18,594
Other purchased services	7,300	\$ (2,600)	4,700	1,163	3,537
Supplies and materials	163,546	5,466	169,012	124,384	44,628
Other objects	494	(494)			
Total educational media services/school library	1,291,433	2,372	1,293,805	1,227,046	66,759
Instructional staff training services:					
Salaries of supervisors of instruction	473,822	78,072	551,894	551,893	1
Purchased professional - educational services	50,000		50,000	43,053	6,947
Other purchased services	42,367		42,367	5,465	36,902
Supplies and materials	20,000	(10,890)	9,110	9,101	9
Other objects	7,430		7,430	160	7,270
Total instructional staff training services	593,619	67,182	660,801	609,672	51,129
Support services-general administration:					
Salaries	375,327	10,757	386,084	386,084	
Legal services	200,000		200,000	152,052	47,948
Audit services	62,000		62,000	58,000	4,000
Other purchased prof. services	10,000		10,000	9,735	265
Purchased technical services	10,000		10,000	9,104	896
Communications/telephone	225,000		225,000	142,931	82,069
BOE other purchased services	1,000		1,000	953	47
Miscellaneous purchased services	236,100		236,100	224,495	11,605
General supplies	22,554	720	23,274	16,886	6,388
Miscellaneous expenditures	72,000		72,000	70,673	1,327
Total support services-general administration	1,213,981	11,477	1,225,458	1,070,913	154,545
Support services-school administration:					
Salaries of principals/ assistant principals	1,977,151	24,135	2,001,286	2,001,285	1
Salaries of other professional staff	347,184	8,151	355,335	355,334	1
Salaries of secretarial and clerical assistants	1,271,897	82,789	1,354,686	1,354,685	1
Purchased professional and technical services	47,000		47,000	37,804	9,196
Other purchased services	60,000	(5,563)	54,437	2,346	52,091
Supplies and materials	411,941	22,982	434,923	330,689	104,234
Total support services-school administration	4,115,173	132,494	4,247,667	4,082,143	165,524
Required maintenance for school facilities:					
Salaries	928,544		928,544	876,765	51,779
Cleaning, repair and maintenance services	256,000	4,725	260,725	233,867	26,858
General supplies	140,000		140,000	131,262	8,738
Other objects	458,389	(55,000)	403,389	349,509	53,880
Total required maintenance for school facilities	1,782,933	(50,275)	1,732,658	1,591,403	141,255

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

Year ended June 30, 2021

	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	\$ 2,783,449		\$ 2,783,449	\$ 2,540,085	\$ 243,364
Purchased professional and technical services	40,000		40,000	14,337	25,663
Cleaning, repair and maintenance services	105,000		105,000	103,528	1,472
Rental of land and bldg. other than lease purch. agreements	147,366		147,366	147,366	
Other purchased property services	70,000		70,000	39,971	30,029
Insurance	595,000		595,000	562,553	32,447
General supplies	700,000	\$ 30,326	730,326	696,390	33,936
Energy (Natural Gas and Electricity)	1,525,000		1,525,000	1,168,431	356,569
Total custodial services	5,965,815	30,326	5,996,141	5,272,661	723,480
Operation and maintenance of plant services-					
care and upkeep of grounds:					
Salaries	67,097		67,097	65,509	1,588
Total care and upkeep of grounds	67,097		67,097	65,509	1,588
Security:					
Salaries	325,255		325,255	287,833	37,422
Total security	325,255		325,255	287,833	37,422
Total operation and maintenance of plant services	8,141,100	(19,949)	8,121,151	7,217,406	903,745
Student transportation services:					
Salaries for pupil transportation:					
Salaries of non-instructional aides	182,959	(140,000)	42,959	38,928	4,031
Between home and school - regular	1,099,317	26,640	1,125,957	1,125,957	
Other than bet. home & sch - regular	300,000	(111,000)	189,000	93,201	95,799
Contracted services:					
Other than bet. home & sch - vendors	171,863		171,863	31,180	140,683
Special ed stds - vendors	1,400,000		1,400,000	897,374	502,626
Aid in lieu of payments - nonpublic	145,000	1,001	146,001	138,135	7,866
General supplies	300,000		300,000	213,867	86,133
Other objects	7,000		7,000	3,555	3,445
Total student transportation services	3,606,139	(223,359)	3,382,780	2,542,197	840,583
Undistributed expenditures - central services:					
Salaries	1,164,287	85,322	1,249,609	1,249,609	
Purchased professional services	164,000	3,851	167,851	153,010	14,841
Misc purch serv	17,000		17,000	2,535	14,465
Supplies and materials	67,500	(251)	67,249	64,323	2,926
Interest on lease purchase agreements	192,255	251	192,506	192,505	1
Miscellaneous expenditures	6,000		6,000		6,000
Total central services	1,611,042	89,173	1,700,215	1,661,982	38,233
Admin. info. tech.:					
Salaries	1,061,997	38,796	1,100,793	1,100,793	
Purchased professional services	41,200	26,973	68,173	66,621	1,552
Other purchased services	816,082	10,000	826,082	821,320	4,762
Supplies and materials	19,000		19,000	19,000	
Total admin. info. tech.	1,938,279	75,769	2,014,048	2,007,734	6,314

Livingston Board of Education
General Fund

Budgetary Comparison Schedule
(Budgetary Basis)
Year ended June 30, 2021

	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	\$ 1,600,000	\$ (4,709)	\$ 1,595,291	\$ 1,547,096	\$ 48,195
Other retirement contributions - PERS	1,650,000	(65,815)	1,584,185	1,584,185	
Other retirement contributions - Regular		167,709	167,709	167,709	
Worker's compensation	490,000	(13,000)	477,000	452,820	24,180
Health benefits	16,213,786	(443,133)	15,770,653	13,478,594	2,292,059
Tuition reimbursement	154,690		154,690	138,444	16,246
Total unallocated benefits	20,108,476	(358,948)	19,749,528	17,368,848	2,380,680
TPAF - post retirement medical (on behalf - non-budgeted)				4,526,542	(4,526,542)
Teacher's Pension and Annuity Fund (on behalf - non-budgeted)				14,444,056	(14,444,056)
TPAF - long-term disability insurance (non-budgeted)				8,316	8,316
Reimbursed TPAF social security (non-budgeted)				3,967,225	(3,967,225)
Total on-behalf payments				22,946,139	(22,946,139)
Total undistributed expenditures	60,744,992	(214,087)	60,530,905	77,909,725	(17,378,820)
Total expenditures - current	115,456,780	49,265	115,506,045	132,178,907	(16,672,862)
Capital outlay:					
Equipment:					
Regular programs - instruction:					
Grades 1-5	4,708		4,708	4,408	300
Grades 6-8	36,355		36,355	25,182	11,173
Undistributed expenditures:					
Noninstructional services	15,500		15,500	14,516	984
Total equipment	56,563		56,563	44,106	12,457
Facilities acquisition and construction services:					
Lease purchase agreements-principal	1,671,436		1,671,436	1,671,436	
Construction services	516,000	132,372	648,372	642,617	5,755
Other objects-assessment of debt service	68,734		68,734	68,734	
Total facilities acquisition and construction services	2,256,170	132,372	2,388,542	2,382,787	5,755
Capital leases (unbudgeted)				1,800,000	(1,800,000)
Total expenditures - capital outlay	2,312,733	132,372	2,445,105	4,226,893	(1,781,788)
Transfer of funds to charter schools	93,306	44,948	138,254	138,254	
Total expenditures	117,862,819	226,585	118,089,404	136,544,054	(18,454,650)
(Deficiency)/excess of revenues (under)/over expenditures	(1,300,000)	(226,585)	(1,526,585)	5,166,944	6,693,529
Other financing sources/(uses):					
Assets acquired under capital leases (non-budgeted)				1,800,000	1,800,000
Transfers in				738	738
Transfers out		(155,000)	(155,000)	(155,000)	
Total other financing sources/(uses)		(155,000)	(155,000)	1,645,738	1,800,738
(Deficiency) excess of revenues (under) over expenditures and other financing sources	(1,300,000)	(381,585)	(1,681,585)	6,812,682	8,494,267
Fund balances, July 1 (retroactively adjusted - See Note 18)	12,221,962		12,221,962	12,221,962	
Fund balances, June 30	\$ 10,921,962	\$ (381,585)	\$ 10,540,377	\$ 19,034,644	\$ 8,494,267

Livingston Board of Education
General Fund

Budgetary Comparison Schedule
(Budgetary Basis)

Year ended June 30, 2021

	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)	\$ 7,194,267	\$ 8,494,267
Adjustment for prior year encumbrances		\$ (381,585)	(381,585)	(381,585)	
Total	<u>\$ (1,300,000)</u>	<u>\$ (381,585)</u>	<u>\$ (1,681,585)</u>	<u>\$ 6,812,682</u>	<u>\$ 8,494,267</u>
Recapitulation of fund balance:					
Restricted Fund Balance:					
Excess surplus restricted for subsequent years expenditures				\$ 1,925,588	
Excess surplus - current year				1,933,885	
Capital reserve				6,426,849	
Emergency reserve				1,000,000	
Unemployment compensation				542,852	
Assigned to:					
Year end encumbrances				350,389	
Unassigned fund balance				<u>6,855,081</u>	
				19,034,644	
Reconciliation to Governmental Funds Statements (GAAP):					
Last state aid payments not recognized on GAAP basis				(450,985)	
Solar Renewable Energy Credits (SREC) income				65,314	
Fund balance per Governmental Funds (GAAP)				<u>\$ 18,648,973</u>	

Livingston Board of Education
Special Revenue Fund

Budgetary Comparison Schedule
(Budgetary Basis)

Year ended June 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenues:					
State sources	\$ 1,031,341		\$ 1,031,341	\$ 900,201	\$ (131,140)
Federal sources	2,007,384		2,007,384	2,007,384	
Other sources	27,545	\$ 456,505	484,050	691,465	207,415
Total revenues	<u>3,066,270</u>	<u>456,505</u>	<u>3,522,775</u>	<u>3,599,050</u>	<u>76,275</u>
Expenditures:					
Current expenditures:					
Instruction:					
Salaries	810,555	\$ (218)	810,337	810,337	
Other purchased services	431,210		431,210	431,210	
Instructional supplies	84,555	1,718	86,273	86,273	
Textbooks	48,933		48,933	48,251	682
Other objects	974,122		974,122	843,664	130,458
Total instruction	<u>2,349,375</u>	<u>1,500</u>	<u>2,350,875</u>	<u>2,219,735</u>	<u>131,140</u>
Support services:					
Benefits	63,610		63,610	63,610	
Purchased professional and educational / technical services	411,852	(1,500)	410,352	410,352	
General supplies	241,433		241,433	241,433	
Student activities		456,505	456,505	456,505	
Total support services	<u>716,895</u>	<u>455,005</u>	<u>1,171,900</u>	<u>1,171,900</u>	<u>-</u>
Total expenditures	<u>3,066,270</u>	<u>456,505</u>	<u>3,522,775</u>	<u>3,391,635</u>	<u>207,415</u>
Excess of revenues over expenditures	-	-	-	207,415	414,830
Fund balance, July 1 (Retrospectively adjusted - see Note 18)	-	-	-	313,614	-
Fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 521,029</u>	<u>\$ -</u>

Livingston Board of Education
Note to Required Supplementary Information

Budget to GAAP Reconciliation

Year ended June 30, 2021

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

	General Fund	Special Revenue Fund
Sources/inflows of resources		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule (C-1, C-2)	\$ 141,710,998	\$ 3,599,050
Differences - Budgetary to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Prior year, net of cancellations		46,828
State aid payments recognized for GAAP statements in the current year, not previously recognized.	(450,985)	
The last state aid payments from the prior year are recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expense (GASB 33).	435,305	
Adjustment to record the value of Solar Renewable Energy credits (SREC) income on the modified accrual basis.	65,314	
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds (B-2)	<u>\$ 141,760,632</u>	<u>\$ 3,645,878</u>
Uses/outflows of resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule (C-1, C-2)	\$ 136,544,054	\$ 3,391,635
Differences - Budgetary to GAAP:		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes:		
Prior year, net of cancellations		46,828
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (B-2)	<u>\$ 136,544,054</u>	<u>\$ 3,438,463</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, 2021

	Nonpublic Aid					COVID-19 Technology CRF	Title I A	Title II A	Title III
	Text- books	Security	STEM	Nursing	Auxiliary				
Revenues:									
State sources	\$ 48,251	\$ 254,967	\$ 8,286	\$ 149,022	\$ 54,867	\$ 384,808	\$ 132,333	\$ 77,886	\$ 28,958
Federal sources									
Local sources									
Total revenues	<u>48,251</u>	<u>254,967</u>	<u>8,286</u>	<u>149,022</u>	<u>54,867</u>	<u>384,808</u>	<u>132,333</u>	<u>77,886</u>	<u>28,958</u>
Expenditures:									
Instruction:									
Salaries			\$ 8,286				\$ 91,648	\$ 54,961	\$ 782
Other purchased services									
Instructional supplies	\$ 48,251						\$ 61,597		24,176
Textbooks									
Other objects									
Total instruction	<u>48,251</u>	<u>254,967</u>	<u>8,286</u>	<u>149,022</u>	<u>54,867</u>	<u>384,808</u>	<u>91,648</u>	<u>54,961</u>	<u>24,958</u>
Undistributed:									
Support services:									
Benefits							40,685	22,925	
Purchased professional and educational/ technical services									4,000
General supplies									
Student activities									
Total support services							<u>40,685</u>	<u>22,925</u>	<u>4,000</u>
Total expenditures	<u>48,251</u>	<u>254,967</u>	<u>8,286</u>	<u>149,022</u>	<u>54,867</u>	<u>384,808</u>	<u>132,333</u>	<u>77,886</u>	<u>28,958</u>
Net change in fund balance	-	-	-	-	-	-	-	-	-
Fund balance, July 1 (Retroactively adjusted - see Note 18)	-	-	-	-	-	-	-	-	-
Fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Livingston Board of Education
Special Revenue Fund

Combining Schedule of Program Revenues and Expenditures –
Budgetary Basis

Year ended June 30, 2021

Title IV	Part B		IDEA		COVID-19 Coronavirus Relief Fund		COVID-19 CARES Act	NJSBAIG Grant		Student Activity/Athletics Fund		Totals
	Basic	Basic Carryover	Part B Basic Carryover	Preschool Current	Current	Current	Current	Current	Current	Current		
Revenues:												
State sources												
Federal sources	\$ 10,000	\$ 1,395,084	\$ 30,506	\$ 57,132	\$ 171,545	\$ 42,343	\$ 27,545	\$ 663,920	\$ 900,201			
Local sources									2,007,384			
Total revenues	10,000	1,395,084	30,506	57,132	171,545	42,343	27,545	663,920	3,599,050			
Expenditures:												
Instruction:												
Salaries	\$ 500	\$ 617,256	\$ 37,404						\$ 810,337			
Other purchased services		431,210							431,210			
Instructional supplies									86,273			
Textbooks									48,251			
Other objects									843,664			
Total instruction	500	1,048,466	37,404						2,219,735			
Undistributed:												
Support services:												
Benefits									63,610			
Purchased professional and educational/technical services	9,500	346,618	30,506	19,728	\$ 171,545	\$ 42,343	\$ 27,545	\$ 410,352				
General supplies								241,433				
Student activities								\$ 456,505				
Total support services	9,500	346,618	30,506	19,728	171,545	42,343	27,545	456,505	1,171,900			
Total expenditures	10,000	1,395,084	30,506	57,132	171,545	42,343	27,545	456,505	3,391,635			
Net change in fund balance	-	-	-	-	-	-	-	-	207,415			
Fund balance, July 1 (Retroactively adjusted - see Note 18)	-	-	-	-	-	-	-	-	313,614			
Fund balance, June 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 521,029			

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, 2021

	Current Year
Revenues and other financing sources	
Interest on investments	\$ 738
Total revenues	738
Other financing uses:	
Transfers out	(738)
Total other financing uses	(738)
Net change in fund balance	-
Fund Balance, July 1	8,790,041
Fund Balance, June 30	\$ 8,790,041
 Reconciliation of budgetary basis to GAAP basis:	
Fund balance, budgetary basis, June 30, 2021	\$ 8,790,041
Less: Revenue not recognized on a GAAP basis	(4,249,388)
Fund balance, GAAP basis, June 30, 2021	\$ 4,540,653

Livingston Board of Education
Capital Projects Fund

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

From Inception and for the year ended June 30, 2021

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources				
State Sources - SDA Grant	\$ 23,858,811		\$ 23,858,811	\$ 23,858,811
Bond proceeds and transfers	105,596,000		105,596,000	112,006,849
Transfer from capital reserve	2,660,000		2,660,000	2,660,000
Transfer from capital outlay	480,382		480,382	480,382
Total revenues	<u>132,595,193</u>	<u>-</u>	<u>132,595,193</u>	<u>\$ 139,006,042</u>
Expenditures and other financing uses				
Construction services	10,493,035		10,493,035	
Equipment	113,024,910		113,024,910	
Transfers out	68,496		68,496	
Bond issuance costs	218,711		218,711	
Total expenditures and other financing uses	<u>123,805,152</u>	<u>-</u>	<u>123,805,152</u>	
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 8,790,041</u>	<u>\$ -</u>	<u>\$ 8,790,041</u>	

Referendums

Bonds Authorized	\$ 112,006,849
Bonds Issued	105,596,000
Original Authorized Cost	\$ 139,006,042
Additional Authorized Cost	
Revised Authorized Cost	\$ 139,006,042

Livingston Board of Education
Capital Projects Fund

Summary Schedule of Project Expenditures
(Budgetary Basis)

Year ended June 30, 2021

Issue/Project Title	Appropriations	Expenditures to Date		Unexpended Balance
			Prior Years	
High school renovation-referendum	\$ 51,521,000	\$ 51,510,226	\$ 10,774	
Facility upgrades and HVAC	59,677,417	48,973,564	10,703,853	
Additions/renovations at Various Schools	18,200,000	16,383,254	1,816,746	
LHS Roof Part A	610,000	436,369	173,631	
Solar Panels	8,687,905	6,192,019	2,495,886	
	<u>\$ 138,696,322</u>	<u>\$ 123,495,432</u>	15,200,890	
Bonds and notes authorized and not issued			(6,410,849)	
			<u>\$ 8,790,041</u>	

Components of appropriations for referendum questions - high school renovations

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

Components of appropriations - Facility upgrades and HVAC

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

Components of appropriations - Solar panels

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

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

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

Components of appropriations - LHS Roof Part A

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

Long-Term Debt

Livingston Board of Education
Long-Term Debt

Schedule of Serial Bonds Payable

Year ended June 30, 2021

Issue	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance	Retired	Balance																																																																																																																																																									
			Date	Amount		July 1, 2020		June 30, 2021																																																																																																																																																									
School Refunding Bonds	3/11/10	\$ 12,405,000	7/15/21	\$ 1,475,000	4.000	\$ 3,355,000	\$ 1,405,000	\$ 1,950,000																																																																																																																																																									
			7/15/22	475,000	4.000				Renovations to Schools	8/3/10	9,000,000				1,000,000	1,000,000		Renovations to Schools	10/1/13	8,500,000	8/1/21	350,000	2.000	5,700,000	700,000	5,000,000	8/1/22	650,000	2.000	8/1/23	650,000	3.000	8/1/24	650,000	3.000	8/1/25	650,000	3.000	8/1/26	650,000	3.000	8/1/27	700,000	3.000	8/1/28	700,000	3.000	Renovations to Schools	8/6/15	8,500,000	8/1/21	350,000	2.000	7,200,000	550,000	6,650,000	8/1/22	700,000	2.000	8/1/23	700,000	2.000	8/1/24	700,000	2.000	8/1/25	700,000	2.125	8/1/26	700,000	3.000	8/1/27	700,000	3.000	8/1/28	700,000	3.000	8/1/29	700,000	3.000	8/1/30	700,000	3.000	School Bonds	9/24/15	61,010,000	7/15/21	3,250,000	5.000	57,840,000	1,355,000	56,485,000	7/15/22	3,635,000	5.000	7/15/23	3,840,000	5.000	7/15/24	3,790,000	5.000	7/15/25	3,945,000	5.000	7/15/26	3,060,000	5.000	7/15/27	3,180,000	5.000	7/15/28	3,250,000	5.000	7/15/29	3,305,000	4.000	7/15/30	3,315,000	4.000	7/15/31	3,440,000	4.360	7/15/32	3,515,000	4.500	7/15/33	3,690,000	4.160	7/15/34	3,800,000	5.000	7/15/35	3,825,000	5.000	7/15/36	1,835,000	5.000	7/15/37	1,810,000	5.000																57,840,000	1,355,000	56,485,000			
Renovations to Schools	8/3/10	9,000,000				1,000,000	1,000,000																																																																																																																																																										
Renovations to Schools	10/1/13	8,500,000	8/1/21	350,000	2.000	5,700,000	700,000	5,000,000																																																																																																																																																									
			8/1/22	650,000	2.000																																																																																																																																																												
			8/1/23	650,000	3.000																																																																																																																																																												
			8/1/24	650,000	3.000																																																																																																																																																												
			8/1/25	650,000	3.000																																																																																																																																																												
			8/1/26	650,000	3.000																																																																																																																																																												
			8/1/27	700,000	3.000																																																																																																																																																												
			8/1/28	700,000	3.000																																																																																																																																																												
Renovations to Schools	8/6/15	8,500,000	8/1/21	350,000	2.000	7,200,000	550,000	6,650,000																																																																																																																																																									
			8/1/22	700,000	2.000																																																																																																																																																												
			8/1/23	700,000	2.000																																																																																																																																																												
			8/1/24	700,000	2.000																																																																																																																																																												
			8/1/25	700,000	2.125																																																																																																																																																												
			8/1/26	700,000	3.000																																																																																																																																																												
			8/1/27	700,000	3.000																																																																																																																																																												
			8/1/28	700,000	3.000																																																																																																																																																												
			8/1/29	700,000	3.000																																																																																																																																																												
			8/1/30	700,000	3.000																																																																																																																																																												
School Bonds	9/24/15	61,010,000	7/15/21	3,250,000	5.000	57,840,000	1,355,000	56,485,000																																																																																																																																																									
			7/15/22	3,635,000	5.000																																																																																																																																																												
			7/15/23	3,840,000	5.000																																																																																																																																																												
			7/15/24	3,790,000	5.000																																																																																																																																																												
			7/15/25	3,945,000	5.000																																																																																																																																																												
			7/15/26	3,060,000	5.000																																																																																																																																																												
			7/15/27	3,180,000	5.000																																																																																																																																																												
			7/15/28	3,250,000	5.000																																																																																																																																																												
			7/15/29	3,305,000	4.000																																																																																																																																																												
			7/15/30	3,315,000	4.000																																																																																																																																																												
			7/15/31	3,440,000	4.360																																																																																																																																																												
			7/15/32	3,515,000	4.500																																																																																																																																																												
			7/15/33	3,690,000	4.160																																																																																																																																																												
			7/15/34	3,800,000	5.000																																																																																																																																																												
7/15/35	3,825,000	5.000																																																																																																																																																															
7/15/36	1,835,000	5.000																																																																																																																																																															
7/15/37	1,810,000	5.000																																																																																																																																																															
						57,840,000	1,355,000	56,485,000																																																																																																																																																									
						<u>\$ 75,095,000</u>	<u>\$ 5,010,000</u>	<u>\$ 70,085,000</u>																																																																																																																																																									

Livingston Board of Education
Long-Term Debt

Schedule of Obligations Under Capital Leases

Year ended June 30, 2021

	Interest Rate	Amount of Original Issue	Balance July 1, 2020	Issued	Retired	Balance June 30, 2021
ECIA	4.00%-5.00%	\$ 2,441,000	\$ 2,441,000		\$ 715,000	\$ 1,726,000
TD Bank	0.93%	1,800,000		\$ 1,800,000		1,800,000
City National	1.61%	2,210,000	965,174		636,926	328,248
TD Bank	2.90%	1,500,000	1,189,517		319,510	870,007
			<u>\$ 3,406,174</u>	<u>\$ 1,800,000</u>	<u>\$ 1,671,436</u>	<u>\$ 4,724,255</u>

Livingston Board of Education
Debt Service Fund

Budgetary Comparison Schedule

Year ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance Final to Actual
Revenues:				
Local sources:				
Miscellaneous-sale of SREC's	\$ 165,773	\$ 165,773	\$ 124,853	\$ (40,920)
Local tax levy	7,242,449	7,242,449	7,242,449	
State sources:				
Debt service aid type II	778,801	778,801	778,801	
Total revenues	<u>8,187,023</u>	<u>8,187,023</u>	<u>8,146,103</u>	<u>(40,920)</u>
Expenditures:				
Interest on bonds	3,161,250	3,161,250	3,161,250	
Principal on bonds	5,010,000	5,010,000	5,010,000	
Total expenditures	<u>8,171,250</u>	<u>8,171,250</u>	<u>8,171,250</u>	
Excess (deficiency) of revenues over (under) expenditures	<u>15,773</u>	<u>15,773</u>	<u>(25,147)</u>	<u>(40,920)</u>
Other financing sources:				
Transfers in			40,920	40,920
Total other financing sources			<u>40,920</u>	<u>40,920</u>
Net change in fund balances	15,773	15,773	15,773	-
Fund balance, July 1	346,768	346,768	346,768	
Fund balance, June 30	<u>\$ 362,541</u>	<u>\$ 362,541</u>	<u>\$ 362,541</u>	<u>\$ -</u>

Statistical Section

**Statistical Section
Unaudited**

Contents

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports (ACFR) 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,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Governmental activities at Government-wide level										
Net investment in capital assets	\$ 51,502,583	\$ 54,448,601	\$ 55,919,463	\$ 58,372,950	\$ 59,527,328	\$ 58,713,884	\$ 62,345,455	\$ 64,178,646	\$ 65,375,895	\$ 66,474,442
Restricted	1,797,535	2,603,315	4,402,174	6,028,772	5,540,059	8,775,638	7,736,318	8,249,348	11,686,227	16,890,856
Unrestricted (deficit)	(1,407,628)	(1,756,316)	(2,953,511)	(30,011,401)	(29,175,486)	(31,728,720)	(33,016,080)	(32,990,012)	(32,782,362)	(31,584,564)
Total governmental activities net position	\$ 51,892,490	\$ 55,295,600	\$ 57,368,126	\$ 34,390,321	\$ 35,891,901	\$ 35,760,802	\$ 37,065,693	\$ 39,437,982	\$ 44,279,760	\$ 51,780,734
Business-type activities at Government-wide level										
Net investment in capital assets	\$ 117,150	\$ 123,159	\$ 156,564	\$ 163,609	\$ 124,697	\$ 64,260	\$ 71,264	\$ 63,335	\$ 55,419	\$ 47,490
Unrestricted	117,150	123,159	156,564	163,609	124,697	25,952	63,014	138,144	81,282	37,282
Total business-type activities net position	\$ 117,150	\$ 123,159	\$ 156,564	\$ 163,609	\$ 124,697	\$ 90,212	\$ 134,278	\$ 201,479	\$ 136,701	\$ 84,772
Government-wide level										
Net investment in capital assets	\$ 51,502,583	\$ 54,448,601	\$ 55,919,463	\$ 58,372,950	\$ 59,527,328	\$ 58,778,144	\$ 62,416,719	\$ 64,241,981	\$ 65,431,314	\$ 66,521,932
Restricted	1,797,535	2,603,315	4,402,174	6,028,772	5,540,059	8,775,638	7,736,318	8,249,348	11,686,227	16,890,856
Unrestricted (deficit)	(1,290,478)	(1,633,157)	(2,796,947)	(29,847,792)	(29,050,789)	(31,702,768)	(32,953,066)	(32,851,868)	(32,701,080)	(31,547,282)
Total government-wide net position	\$ 52,009,640	\$ 55,418,759	\$ 57,524,690	\$ 34,553,950	\$ 36,016,598	\$ 35,851,014	\$ 37,199,971	\$ 39,639,461	\$ 44,416,461	\$ 51,865,506

Source: ACFR Schedule A-1 and District records.

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.

GASB 84 was implemented during the 2021 fiscal year, which required a retrospective adjustment to the June 30, 2020 net position in the amount of \$855,898. This amount is not reflected in the June 30, 2020 Net Position above.

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

	Year ended June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Expenses										
Governmental activities										
Instruction	\$ 63,878,756	\$ 66,272,731	\$ 68,887,506	\$ 69,825,515	\$ 77,101,975	\$ 87,448,186	\$ 97,533,309	\$ 100,285,889	\$ 96,778,911	\$ 99,683,866
Support Services:										
Attendance and social work	111,223	87,045	83,146	68,300	81,890	111,626	175,412	114,992	103,821	73,895
Health services	1,155,226	1,250,211	1,293,287	1,297,647	1,399,384	1,602,126	1,735,851	1,751,864	1,582,457	1,545,674
Other support services	8,527,200	8,969,414	8,902,828	9,723,856	10,309,217	11,618,707	14,017,612	14,328,859	13,576,938	14,422,989
Improvement of instruction	2,287,581	2,474,874	2,460,982	2,565,356	3,059,826	3,109,500	3,893,894	3,638,064	3,657,125	3,734,626
Other support instructional staff	618,138	602,057	578,017	616,615	721,986	631,642	782,759	742,174	908,879	1,001,601
School library	1,402,614	1,534,227	1,590,230	1,599,911	1,684,934	1,953,426	2,132,844	2,124,858	2,033,503	2,009,980
General administration	1,501,121	1,602,967	1,620,516	1,746,326	1,434,998	1,614,656	1,617,068	1,532,530	1,724,782	1,389,294
School administration	5,330,008	5,319,153	5,641,806	5,725,353	6,170,061	6,813,282	7,511,172	8,002,939	7,229,252	6,716,522
Required maintenance of plant	1,548,439	1,679,427	1,656,110	1,779,831	1,926,852	1,781,738	1,986,685	2,103,451	2,292,152	2,280,786
Operation of plant	6,452,481	6,743,825	6,787,794	7,325,687	7,824,561	7,359,396	7,920,082	8,004,142	8,234,493	7,926,715
Student transportation	2,859,259	3,327,734	3,680,205	3,401,837	3,523,893	3,757,943	4,136,495	4,513,329	4,943,858	3,514,678
Central services	1,813,338	1,805,295	2,031,579	1,810,997	2,024,454	2,108,249	2,301,045	2,422,989	2,309,731	2,568,708
Administrative information technology	1,099,190	1,334,834	1,566,865	1,546,072	1,881,804	1,712,196	2,100,888	2,268,568	2,278,389	2,843,772
Charter Schools	3,534,830	3,759,553	3,498,671	3,784,711	3,540,119	30,910	35,671	69,317	43,071	138,254
Interest on long-term debt	102,119,404	106,763,351	110,279,542	112,818,014	122,551,921	136,263,024	151,268,196	155,215,313	150,854,254	152,579,470
Total governmental activities expenses	899,767	942,943	935,828	1,064,344	1,326,939	1,731,199	2,139,565	2,075,522	2,155,042	272,234
Business-type activities	899,767	942,943	935,828	1,064,344	1,326,939	1,731,199	2,139,565	2,075,522	2,155,042	272,234
Total business-type activities	\$ 1,03,019,171	\$ 107,706,294	\$ 111,215,370	\$ 113,882,358	\$ 123,878,860	\$ 137,994,223	\$ 153,407,761	\$ 157,290,835	\$ 153,009,296	\$ 152,851,704
Program Revenues										
Governmental activities:										
Charges for services:										
Instruction	\$ 116,574	\$ 53,985	\$ 10,083	\$ 46,993	\$ 112,693	\$ 170,384	\$ 241,640	\$ 354,819	\$ 266,347	\$ 364,896
Pupil transportation and student activities	114,679	310,880	315,153	301,983	337,630	372,107	489,254	377,452	442,423	677,112
Operating grants and contributions	2,326,694	2,355,452	2,121,250	2,015,767	2,331,758	2,287,885	2,428,516	2,469,246	2,600,073	2,981,957
Capital grants and contributions	4,427,857	12,398,388	449,567	280,721	123,888	121,562	1,034,268	20,623		
Total governmental activities program revenues	6,985,804	15,118,705	2,896,053	2,645,464	2,905,969	2,951,938	4,193,678	3,222,140	3,308,843	4,023,965
Business-type activities										
Charges for services	955,095	946,322	941,083	1,097,056	1,333,216	1,691,124	2,102,683	2,113,314	2,212,288	64,741
Food service	955,095	946,322	941,083	1,097,056	1,333,216	1,691,124	2,102,683	2,113,314	2,212,288	64,741
Total business-type activities	\$ 7,940,899	\$ 16,065,027	\$ 3,837,136	\$ 3,742,520	\$ 4,239,185	\$ 4,643,062	\$ 6,296,361	\$ 5,335,454	\$ 5,521,131	\$ 4,088,706
Total district program revenues	\$ (95,133,600)	\$ (91,644,646)	\$ (107,383,489)	\$ (110,172,550)	\$ (119,645,952)	\$ (133,311,086)	\$ (147,074,518)	\$ (151,993,173)	\$ (147,545,411)	\$ (148,555,505)
Net (Expense)/Revenue										
Governmental activities	55,328	3,379	5,255	32,712	6,277	(40,075)	(36,882)	37,792	57,246	(207,493)
Business-type activities	(95,078,272)	(91,641,267)	(107,378,234)	(110,139,838)	(119,639,675)	(133,351,161)	(147,111,400)	(151,955,381)	(147,488,165)	(148,762,998)
Total government-wide net expense										

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

	Year ended June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 90,069,759	\$ 90,955,519	\$ 92,768,603	\$ 94,517,808	\$ 97,514,537	\$ 99,918,029	\$ 102,743,234	\$ 105,790,062	\$ 108,543,272	\$ 110,344,955
Property taxes levied for debt service	5,065,306	5,433,634	6,050,287	6,338,900	6,514,901	6,853,299	7,112,478	7,156,855	7,184,380	7,242,449
Unrestricted grants and contributions	10,964,111	13,646,676	12,427,412	20,268,622	29,929,512	39,400,851	42,526,598	35,957,305	33,409,525	36,985,682
Investment earnings	96,553	38,900	61,224	23,943	88,831	150,948	221,777	248,204	144,629	105,416
Rental income	487,216	496,484	601,549	586,959	564,534	504,525	497,508	436,443	338,912	245,336
Miscellaneous income	241,280	215,386	336,001	265,788	200,351	115,767	196,469	328,831	357,697	431,742
Transfers	(11,602)									(155,000)
Total governmental activities	106,912,623	110,786,599	112,245,076	122,002,020	134,812,666	146,943,419	153,298,064	149,917,700	149,978,415	155,200,580
Business-type activities:										
Interest earnings	787	754	693	768	1,163	2,397	6,274	9,955	5,136	564
Transfers	11,602									155,000
Total business-type activities	12,389	754	693	768	1,163	2,397	6,274	9,955	5,136	155,564
Total government-wide	\$ 106,925,012	\$ 110,787,353	\$ 112,245,769	\$ 122,002,788	\$ 134,813,829	\$ 146,945,816	\$ 153,304,338	\$ 149,927,655	\$ 149,983,551	\$ 155,356,144
Change in Net Position										
Governmental activities	\$ 11,779,023	\$ 19,141,953	\$ 4,861,587	\$ 11,829,470	\$ 15,166,714	\$ 13,632,333	\$ 6,223,546	\$ (2,075,473)	\$ 2,433,004	\$ 6,645,075
Business-type activities	67,717	4,133	5,948	33,480	7,440	(37,678)	(30,608)	47,747	62,382	(51,929)
Total district	\$ 11,846,740	\$ 19,146,086	\$ 4,867,535	\$ 11,862,950	\$ 15,174,154	\$ 13,594,655	\$ 6,192,938	\$ (2,027,726)	\$ 2,495,386	\$ 6,593,146

Source: ACFR Schedule A-2 and District records.

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

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

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

GASB 84 was implemented during the 2021 fiscal year. Implementation resulted in an increase in the student activities line from the prior year.

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

	As of June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Fund										
Restricted	\$ 1,787,522	\$ 2,603,315	\$ 4,402,174	\$ 6,028,772	\$ 5,018,625	\$ 4,807,728	\$ 3,812,411	\$ 4,325,441	\$ 7,145,574	\$ 11,829,174
Assigned	1,618,550	1,382,881	525,508	670,709	524,747	740,234	757,944	588,463	851,374	350,389
Unassigned	2,842,943	2,615,086	2,634,903	2,412,411	2,501,855	2,666,800	2,764,525	3,099,988	3,288,345	6,469,410
Total general fund	\$ 6,249,015	\$ 6,601,282	\$ 7,562,585	\$ 9,111,892	\$ 8,045,227	\$ 8,214,762	\$ 7,334,880	\$ 8,013,892	\$ 11,285,293	\$ 18,648,973
All Other Governmental Funds										
Restricted for:										
Special revenue fund					\$ 2,302,593					\$ 521,029
Debt service fund	\$ 10,013	\$ 53,510	\$ 323,480	\$ 87,680	234,706	\$ 157,471	\$ 130,368	\$ 163,560	\$ 346,768	362,541
Capital projects fund (deficit)	5,059,573	3,799,090	9,749,837	(1,619,867)	6,436,140	4,608,223	4,540,653	4,540,653	4,540,653	4,540,653
Total all other governmental funds	\$ 5,069,586	\$ 3,852,600	\$ 10,073,317	\$ (1,532,187)	\$ 8,973,439	\$ 4,765,694	\$ 4,671,021	\$ 4,704,213	\$ 4,887,421	\$ 5,424,223

Source: ACFR Schedule B-1 and District records.

GASB 84 was implemented in the June 30, 2021 fiscal year. Implementation resulted in an increase in special revenue fund fund balance.

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

	Year ended June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Revenues										
Tax levy	\$ 95,135,065	\$ 96,389,153	\$ 98,818,890	\$ 100,856,708	\$ 104,029,438	\$ 106,771,328	\$ 109,855,712	\$ 112,946,917	\$ 115,727,652	\$ 117,587,404
Tuition charges	53,985	10,083	46,993	112,693	170,384	241,640	354,819	266,347	318,070	364,896
Interest earnings	96,553	38,900	61,224	23,943	41,132	63,519	159,859	183,997	103,709	40,102
Investment income					47,699	87,429	61,918	64,207	40,920	65,314
Rental income	487,216	496,484	601,549	586,959	564,534	504,525	497,508	436,443	338,912	245,336
Miscellaneous	410,544	389,913	780,894	636,806	633,408	605,021	573,921	771,254	428,944	444,934
State sources	23,681,722	14,600,118	13,180,841	15,016,087	16,645,702	19,648,364	21,434,902	25,421,839	27,112,067	32,040,488
Local sources	41,027	41,914	16,418	32,279	22,806	30,465	24,340	28,953	29,750	691,465
Federal sources	1,995,202	1,575,461	1,526,641	1,663,626	1,644,134	1,595,776	1,582,278	1,589,381	1,644,870	2,073,412
Total revenue	121,901,314	113,542,026	115,033,450	118,929,101	123,799,237	129,548,067	134,545,257	141,709,338	145,744,894	153,553,351
Expenditures										
Instruction										
Regular and Special Education Instruction	43,186,148	44,393,126	46,757,561	48,276,223	50,594,191	52,497,911	53,137,649	54,179,698	54,777,809	56,508,832
Undistributed:										
Instruction	71,317,761	7,205,470	6,247,242	6,305,889	6,476,692	6,520,234	6,537,171	6,872,680	6,599,011	5,861,671
Attendance and social work	62,593	58,889	49,494	54,685	67,821	97,710	63,228	61,050	63,807	43,392
Health services	901,743	919,492	944,287	938,827	983,322	976,076	970,191	936,873	912,252	918,293
Other support services	7,066,352	6,845,403	7,319,178	7,475,078	7,744,379	8,220,147	8,603,722	8,697,176	8,616,569	9,344,308
Improvement of instruction	1,792,477	1,757,197	1,870,400	2,057,792	1,904,505	2,191,192	2,016,432	2,170,172	2,313,087	2,206,794
School library	1,145,961	1,167,858	1,201,197	1,169,916	1,251,112	1,259,289	1,244,696	1,260,467	1,306,041	1,227,046
Instructional staff training	452,692	430,027	464,605	524,358	403,168	467,394	446,711	577,929	661,513	609,672
General administration	1,382,282	1,381,455	1,461,045	1,192,799	1,310,194	1,290,969	1,168,022	1,314,908	1,129,293	1,070,913
School administration	3,904,353	4,100,046	4,258,497	4,239,852	4,328,243	4,381,197	4,586,777	4,421,915	4,210,001	4,082,143
Required maintenance of plant	1,298,926	1,227,905	1,249,197	1,271,843	1,247,717	1,274,856	1,323,260	1,487,391	1,260,052	1,591,403
Operation of plant	5,458,252	5,315,576	5,600,664	5,575,230	5,485,748	5,534,372	5,569,037	5,955,341	5,695,144	5,626,003
Student transportation	2,935,670	3,189,477	2,929,453	2,925,012	3,004,148	3,163,306	3,294,251	3,755,261	3,373,284	2,542,197
Business and oth supp. services and benefits	15,272,843	15,580,630	15,800,186	16,256,309	17,135,977	17,963,795	18,953,666	20,222,489	20,988,918	21,038,564
On Behalf TPAF social security and pension/medical contributions	7,302,384	9,437,008	8,157,415	9,822,692	11,507,978	13,351,771	15,730,398	18,129,199	19,051,761	22,946,139
Charter Schools	34,168,616	4,707,251	4,860,773	14,396,288	5,720,943	6,483,837	5,830,484	4,293,689	5,644,812	4,226,893
Costs of issuance				35,575	30,910	35,671	69,317	43,071	116,590	138,254
Debt service:										
Principal	2,385,000	3,160,000	3,585,000	4,005,000	4,310,000	4,030,000	4,560,000	4,635,000	4,820,000	5,010,000
Interest	4,152,840	3,574,080	3,520,142	3,684,577	3,153,228	3,846,550	3,624,800	3,482,825	3,325,350	3,161,250
Total expenditures	140,000,893	114,450,890	116,352,280	130,185,299	126,660,276	133,586,277	137,729,812	142,497,134	144,865,294	148,153,767
Excess (Deficiency) of revenues over (under) expenditures	(18,099,579)	(908,864)	(1,318,830)	(11,256,198)	(2,861,039)	(4,038,210)	(3,184,555)	(787,796)	879,600	5,399,584
Other Financing sources (uses)										
Capital leases (non-budgeted)	750,000		8,500,000	1,200,000	3,800,000		2,210,000	1,500,000	2,575,009	1,800,000
Bond proceeds										
Insurance recovery related to other costs of Super Storm Sandy		44,145								
Refunding bonds issued					69,510,000					
Premium on bonds issued			850		8,886,902					
Equity contribution					134,265					
Payment to refunding bond escrow agent					(69,607,319)					
Transfers in	815,679	424,584	18,119	234,691	2,967,026	48,763	112,758	96,211	129,023	41,658
Transfers out	(827,281)	(424,584)	(18,119)	(234,691)	(2,967,026)	(48,763)	(112,758)	(96,211)	(129,023)	(196,658)
Total other financing sources (uses)	738,398	44,145	8,500,850	1,200,000	12,723,848	-	2,210,000	1,500,000	2,575,009	1,645,000
Net change in fund balances	\$ (17,361,181)	\$ (864,719)	\$ (7,182,020)	\$ (10,056,198)	\$ 9,862,809	\$ (4,038,210)	\$ (974,555)	\$ 712,204	\$ 3,454,609	\$ 7,044,584
Debt service as a percentage of noncapital expenditures	6.2%	6.1%	6.4%	6.6%	6.2%	6.2%	6.2%	5.9%	5.9%	5.7%

Source: ACFR Schedule B-2

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

Fiscal Year Ended June 30,	Tuition	Investment Income	Rentals	Transportation	Misc.	Total
2012	\$ 53,985	\$ 80,874	\$ 487,216	\$ 310,880	\$ 89,651	\$ 1,022,606
2013	10,083	32,812	496,484	315,153	74,760	929,292
2014	46,993	43,955	601,549	301,983	68,119	1,062,599
2015	112,693	7,187	586,959	337,630	86,957	1,131,426
2016	170,384	34,656	564,534	372,107	105,544	1,247,225
2017	241,640	56,455	504,525	489,254	122,130	1,414,004
2018	354,819	196,448	497,508	377,452	76,295	1,502,522
2019	266,347	213,911	436,443	442,423	207,557	1,566,681
2020	318,070	130,619	338,912	71,247	123,701	982,549
2021	364,896	104,678	245,336	13,192	306,889	1,034,991

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,	Total Assessed Value							Public Utilities ^a	Net Valuation Taxable	Total Direct School Tax Rate ^b
	Vacant Land	Residential	Farm Reg.	Commercial	Industrial	Apartments	Value			
2012	\$ 155,825,800	\$ 5,925,469,396	\$ 740,300	\$ 1,084,979,478	\$ 11,269,200	\$ 2,658,800	\$ 7,282,366,974	\$ 12,139,900	\$ 7,294,506,874	\$ 1.321
2013	142,157,500	5,938,761,771	740,300	1,032,942,678	97,978,100	2,658,800	7,215,239,149	11,213,456	7,226,452,605	1.368
2014	116,045,300	5,953,673,571	740,300	1,002,976,178	90,110,600	2,658,800	7,166,204,749	9,716,768	7,175,921,517	1.406
2015	105,448,800	5,976,634,671	740,300	977,333,378	90,641,900	2,658,800	7,153,457,849	9,528,870	7,162,986,719	1.452
2016	115,384,300	5,993,856,017	734,300	979,149,578	104,657,200	2,658,800	7,196,440,195	9,738,270	7,162,986,719	1.482
2017	98,933,300	6,047,597,017	740,300	977,445,878	103,643,300	2,658,800	7,231,018,595	9,686,530	7,240,705,125	1.517
2018	95,026,200	6,122,581,917	740,300	981,362,878	104,191,300	2,658,800	7,306,561,395	9,534,432	7,316,095,827	1.544
2019	126,981,700	6,140,915,920	740,300	998,823,678	106,211,800	42,517,600	7,416,190,998	9,293,999	7,425,484,997	1.559
2020	122,228,000	7,032,735,300	740,300	1,222,333,500	115,758,000	92,502,600	8,586,297,700	11,073,038	8,596,630,438	1.368
2021	114,749,300	7,061,621,349	740,300	1,208,844,800	110,390,500	108,656,900	8,604,262,849	11,671,927	8,615,934,776	1.379

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.

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

b Tax rates are per \$100

* The significant increase in 2020 relates to new apartments constructed in the Township.

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	
2012	\$ 1.26	\$ 0.06	\$ 1.32	\$ 0.41	\$ 0.47	\$ 2.20
2013	1.31	0.06	1.37	0.44	0.49	2.30
2014	1.35	0.06	1.41	0.45	0.53	2.38
2015	1.36	0.09	1.45	0.46	0.55	2.46
2016	1.38	0.10	1.48	0.47	0.55	2.50
2017	1.42	0.10	1.52	0.46	0.56	2.54
2018	1.44	0.10	1.54	0.48	0.56	2.58
2019	1.46	0.10	1.56	0.48	0.57	2.61
2020	1.27	0.10	1.37	0.43	0.48	2.28
2021	1.28	0.10	1.38	0.44	0.48	2.30

Source: District Records and Municipal Tax Collector.

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	2021			2012		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Livingston Mall	\$ 220,000,000	1	2.56%	\$ 140,000,000	1	1.88%
Livingston Circle Associates	56,981,200	2	0.66%	60,602,600	2	0.81%
Squiertown Properties, LLC	50,985,500	3	0.59%			
369 East Mount Pleasant Ave, LLC	45,500,000	4	0.53%			
Burris Post Acute Network, LLC	39,176,800	5	0.46%			
TF Livingston NJ LLC	38,751,300	6	0.45%			
Livingston Retirement Care Assoc	31,260,800	7	0.36%			
Eastgreen, Inc.	29,937,000	8	0.35%	30,175,000	7	0.41%
Esplanade Livingston, LLC	28,464,000	9	0.33%	30,195,000	6	0.41%
Marsag L.P.	27,458,600	10	0.32%			
CIT Group Inc.				45,938,500	3	0.62%
Formosa Plastics, Corp., USA				32,969,800	4	0.44%
Livingston Retirement Care Assoc.				30,250,300	5	0.41%
Trste Src Facilities				29,469,900	8	0.40%
Daven Ave, LLC				25,714,100	9	0.31%
Care Two, LLC				22,440,000	10	0.30%
Total	\$ 568,515,200		6.61%	\$ 447,755,200		5.99%

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
2012	\$ 95,135,065	\$ 95,135,065	100.00%	-
2013	96,389,153	96,389,153	100.00%	-
2014	98,818,890	98,818,890	100.00%	-
2015	100,856,708	100,856,708	100.00%	-
2016	104,029,438	104,029,438	100.00%	-
2017	106,771,328	106,771,328	100.00%	-
2018	109,855,712	109,855,712	100.00%	-
2019	112,946,917	112,946,917	100.00%	-
2020	115,727,652	115,727,652	100.00%	-
2021	117,587,404	117,587,404	100.00%	-

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

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

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

Fiscal Year Ended June 30,	Governmental Activities				Total District	Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds*	Capital Leases	Bond Anticipation Notes	Grant Anticipation Notes			
2012	\$ 96,716,000	\$ 3,410,771		\$ 9,250,000	\$ 109,376,771	0.05%	\$ 59,342
2013	93,556,000	2,251,617		9,250,000	105,057,617	0.06%	60,577
2014	98,471,000	1,235,856		8,000,000	107,706,856	0.05%	54,879
2015	94,466,000	1,359,372	\$ 4,300,000	8,000,000	108,125,372	0.05%	54,606
2016	93,140,000	4,555,541		5,000,000	102,695,541	0.06%	58,319
2017	89,110,000	3,736,161			92,846,161	0.06%	60,030
2018	84,550,000	4,401,341			88,951,341	0.07%	60,887
2019	79,915,000	4,024,052			83,939,052	0.08%	63,554
2020	75,095,000	3,406,174			78,501,174	0.09%	67,459
2021	70,085,000	4,724,255			74,809,255	0.09%	67,657

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

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

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

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

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

Fiscal Year Ended June 30,	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			
2012	\$ 105,966,000		\$ 105,966,000	1.45%	\$ 59,342
2013	102,806,000		102,806,000	1.42%	60,577
2014	106,471,000	\$ 323,480	106,147,520	1.48%	54,879
2015	102,466,000	87,680	102,378,320	1.43%	54,606
2016	98,140,000	234,706	97,905,294	1.36%	58,319
2017	89,110,000	157,471	88,952,529	1.23%	60,030
2018	84,550,000	130,368	84,419,632	1.16%	60,887
2019	79,915,000	163,560	79,751,440	1.08%	63,554
2020	75,095,000	346,768	74,748,232	0.87%	67,459
2021	70,085,000	362,541	69,722,459	0.81%	67,459

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, 2021
Unaudited

	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable ^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Livingston Township	\$ 94,974,959	100.00%	\$ 94,974,959
County of Essex		9.09%	529,141,377
Subtotal, overlapping debt			624,116,336
Livingston Township School District Direct Debt*			76,133,308
Total direct and overlapping debt			<u>\$ 700,249,644</u>

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

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

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

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

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

Legal Debt Margin Calculation for Fiscal Year 2021

	2021	2020	2019
Equalized valuation basis	\$ 8,871,998,205	8,657,413,936	8,412,194,871
	<u>8,871,998,205</u>	<u>8,657,413,936</u>	<u>8,412,194,871</u>
	<u>\$ 25,941,607,012</u>	<u>\$ 25,941,607,012</u>	<u>\$ 25,941,607,012</u>
Average equalized valuation of taxable property	\$ 8,647,202,337		
Debt limit (4 % of average equalization value)	\$ 345,888,093		
Net bonded school debt	76,133,308		
Legal debt margin	<u>\$ 269,754,785</u>	<u>\$ 269,754,785</u>	<u>\$ 269,754,785</u>

Fiscal Year Ended June 30,

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Debt limit	\$ 318,454,454	\$ 305,485,359	\$ 300,587,113	\$ 299,917,352	\$ 303,157,184	\$ 306,676,231	\$ 312,482,797	\$ 319,012,328	\$ 333,991,209	\$ 269,754,785
Total net debt applicable to limit	104,311,849	126,216,849	121,058,369	117,289,169	104,316,143	95,363,378	95,101,454	90,349,901 *	75,095,000	76,133,308
Legal debt margin	<u>\$ 214,142,605</u>	<u>\$ 179,268,510</u>	<u>\$ 179,528,744</u>	<u>\$ 182,628,183</u>	<u>\$ 198,841,041</u>	<u>\$ 211,312,853</u>	<u>\$ 217,381,343</u>	<u>\$ 228,662,427</u>	<u>\$ 258,896,209</u>	<u>\$ 193,621,477</u>
Total net debt applicable to the limit as a percentage of debt limit	32.76%	41.32%	40.27%	39.11%	34.41%	31.10%	30.43%	28.32%	22.48%	28.22%

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

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

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

Year	Population ^a	Personal Income (thousands of dollars) ^b	Per Capita Personal Income ^c	Unemployment Rate ^d
2012	29,366	N/A	\$ 59,342	6.1%
2013	29,526	N/A	60,577	6.2%
2014	29,594	N/A	54,879	5.5%
2015	29,931	N/A	54,606	4.5%
2016	29,849	N/A	58,319	3.8%
2017	29,801	N/A	60,030	3.3%
2018	30,142	N/A	60,887	3.3%
2019	30,054	N/A	63,554	2.7%
2020	30,303	N/A	67,459	2.5%
2021	30,397	N/A	67,657	6.9%

Source:

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

^b Personal income data is not available.

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

^d Unemployment data provided by the NJ Dept of Labor and Workforce Development.

N/A - Not available.

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

Information was not available.

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

<u>Function/Program</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Instruction										
Regular	394	397	398	399	402	402	403	412	419	423
Special education	55	59	63	67	67	70	71	75	76	75
Support services										
Student & instruction related services	99	102	102	104	104	110	110	114	116	117
General administrative services	13	13	13	13	13	14	16	17	17	17
School administrative services	42	42	42	42	42	43	44	44	44	46
Business administrative services	12	12	12	12	12	12	12	12	12	12
Plant operations and maintenance	55	57	57	57	57	59	59	59	59	59
Pupil transportation	27	28	27	28	28	29	29	32	32	33
Total	697	710	714	722	725	739	744	765	775	782

Source: District Personnel Records

Livingston Board of Education
 Operating Statistics
 Last Ten Fiscal Years
 Unaudited

Pupil/Teacher Ratio

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				
2012	5,893	\$ 99,294,437	\$ 16,850	2.40%	449	1:13	1:11	1:11	5,732	5,551	-0.14%	96.84%
2013	5,830	103,009,559	17,669	4.86%	456	1:13	1:11	1:11	5,802	5,594	1.22%	96.42%
2014	5,875	104,333,067	17,759	0.51%	461	1:13	1:11	1:11	5,871	5,690	1.19%	96.92%
2015	5,893	108,099,434	18,344	3.29%	461	1:13	1:11	1:11	5,880	5,692	0.15%	96.80%
2016	5,950	113,476,105	19,072	3.97%	466	1:13	1:11	1:11	5,926	5,731	0.78%	96.71%
2017	5,923	119,225,890	20,129	5.55%	472	1:13	1:11	1:11	5,913	5,703	-0.22%	96.45%
2018	5,971	123,714,528	20,719	2.93%	474	1:13	1:11	1:11	5,971	5,757	0.98%	96.42%
2019	6,007	130,085,620	21,656	4.52%	487	1:13	1:11	1:11	6,007	5,784	0.60%	96.29%
2020	6,120	131,075,132	21,418	-1.10%	498	1:13	1:11	1:11	6,120	5,966	1.88%	97.48%
2021	6,020	135,755,624	22,551	-1.63%	498	1:13	1:11	1:11	6,020	5,925	-1.63%	98.42%

Sources: District records and ASSA.

Note: Enrollment based on annual October district count.

a Operating expenditures equal total expenditures less debt service and capital outlay; Schedule J-4

b Teaching staff includes only full-time equivalents of certificated staff.

c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<u>District Building</u>										
<u>Elementary</u>										
Burnet Hill Elementary										
Square Feet	51,521	51,521	51,521	51,521	55,467	55,467	55,467	55,467	55,467	55,467
Capacity (students)	412	412	412	412	522	522	522	522	522	522
Enrollment	413	454	440	464	472	447	475	461	486	442
Riker Hill Elementary										
Square Feet	48,279	48,279	48,279	48,279	53,440	53,440	53,440	53,440	53,440	53,440
Capacity (students)	386	386	386	386	414	414	414	414	414	414
Enrollment	417	421	406	400	398	375	402	396	397	401
Collins Elementary										
Square Feet	48,589	48,589	48,589	48,589	53,309	53,309	53,309	53,309	53,309	53,309
Capacity (students)	389	389	389	389	424	424	424	424	424	424
Enrollment	424	432	452	453	481	467	453	464	462	457
Harrison Elementary										
Square Feet	64,555	64,555	64,555	64,555	75,151	75,151	75,151	75,151	75,151	75,151
Capacity (students)	516	516	516	516	656	656	656	656	656	656
Enrollment	528	517	485	487	480	451	473	465	449	459
Hillside Elementary										
Square Feet	45,168	45,168	45,168	45,168	51,694	51,694	51,694	51,694	51,694	51,694
Capacity (students)	361	361	361	361	529	529	529	529	529	529
Enrollment a	398	412	406	412	407	394	399	404	397	391
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	423	435	450	454	446	428	434	438	426	415
<u>Middle Schools</u>										
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	921	893	918	920	973	958	958	991	1,006	1,029
Mount Pleasant										
Square Feet	87,421	87,421	87,421	87,421	87,421	87,421	87,421	87,421	87,421	87,421
Capacity (students)	687	687	687	687	687	687	687	687	687	687
Enrollment	425	477	471	476	463	464	481	484	509	483
<u>High School</u>										
Livingston High School										
Square Feet	302,127	302,127	302,127	302,127	302,127	302,127	302,127	302,127	302,127	302,127
Capacity (students)	1,736	1,736	1,736	1,736	1,736	1,736	1,736	1,736	1,736	1,736
Enrollment	1,813	1,761	1,847	1,827	1,830	1,892	1,896	1,902	1,988	1,943

Number of Schools at June 30, 2021

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)	2021	2020	2019	2018	2017	2016	2015	2014	2013
Livingston High School	50	\$ 445,593	\$ 352,815	\$ 416,470	\$ 370,514	\$ 356,961	\$ 349,361	\$349,774	\$ 356,114	\$ 343,815
Heritage Middle School	55	302,367	239,410	282,605	251,420	242,222	237,066	237,347	241,650	233,302
Mt. Pleasant Middle School	60	206,883	163,807	193,361	172,024	165,731	162,203	162,396	165,340	159,628
Burnet Hill	70	111,397	88,203	104,117	92,628	89,240	87,340	87,444	89,029	85,953
Collins	80	95,484	75,603	89,243	79,395	76,491	74,863	74,952	76,311	73,674
Harrison	90	143,227	113,405	133,866	119,094	114,738	112,295	112,428	114,466	110,511
Hillside	100	95,484	75,603	89,243	79,395	76,491	74,863	74,952	76,311	73,674
Mt. Pleasant	110	95,484	75,603	89,243	79,395	76,491	74,863	74,952	76,311	73,674
Riker Hill	118	95,484	75,603	89,243	79,395	76,491	74,863	74,952	76,311	73,674
Total School Facilities		\$ 1,591,403	\$ 1,260,052	\$ 1,487,391	\$ 1,323,260	\$ 1,274,856	\$ 1,247,717	\$ 1,249,197	\$ 1,271,843	\$ 1,227,906

Source: District records of required maintenance.

LIVINGSTON BOARD OF EDUCATION
INSURANCE SCHEDULE
As of June 30, 2021
UNAUDITED

Commercial Package Policy	COVERAGE	DEDUCTIBLE
Real & Personal Property (per occurrence)	\$500,000,000	\$5,000
Blanket Extra Expense	\$50,000,000	\$5,000
Blanket Valuable Paper & Records	\$10,000,000	\$5,000
Demolition & Increased Cost of Construction	\$25,000,000	
Limited Builders Risk	\$10,000,000	
Fire Dept. Service Charge	\$10,000	
Arson Reward	\$10,000	
Pollution Cleanup & Removal	\$250,000	
Flood/Earthquake:		
Flood Zone A & V	\$25,000,000	\$500,000
All Other Flood Zones	\$75,000,000	\$10,000
Earthquake	\$50,000,000	\$1,000
Terrorism	\$1,000,000	
Electronic Data Processing:		
Blanket Hardware/Software, Extra Expense, Business Income, Transit, Debris Removal	\$2,167,000	\$1,000
Flood (Deductible for Zone A & Z)		\$500,000
(Deductible All Other Flood Zones)		\$10,000
Equipment Breakdown		
Combined Single Limit/Accident for Property Damage & Business Income	\$100,000,000	\$5,000
Property Damage	Included	\$5,000
Off Premises Property Damage	\$1,000,000	\$5,000
Extra Expense	\$10,000,000	\$5,000
Service Interruption	\$10,000,000	\$5,000
Perishable Goods	\$1,000,000	\$5,000
Data Restoration	\$1,000,000	\$5,000
Demolition	\$1,000,000	\$5,000
Ordinance or Law	\$1,000,000	\$5,000
Expediting Expense	\$1,000,000	\$5,000
Hazardous Substances	\$1,000,000	\$5,000
Newly Acquired Locations - 120 Days Notice	\$1,000,000	\$5,000
Crime Coverage:		
Public Employee Dishonesty	\$50,000	\$1,000
Theft, Disapp. & Destruction/Money Orders & Counterfeit Currency	\$50,000	\$1,000
Forgery or Alteration	\$50,000	\$1,000
Computer Fraud	\$50,000	\$1,000
General Liability:		
Bodily Injury & Property Damage	\$16,000,000	
Employee Benefits Liability	\$16,000,000	\$1,000
Terrorism	\$1,000,000	
Automotive Coverage:		
Combined Single Limit for Bodily Injury & Property Damage	\$16,000,000	\$1,000
Personal Injury Protection	\$250,000	\$1,000
Medical Payments	\$10,000	\$1,000
Underinsured	\$1,000,000	\$1,000
Terrorism	\$1,000,000	\$1,000
School Leaders Errors & Omissions		
Coverage A - protection againsts "loss"/Wrongful Acts	\$16,000,000	\$5,000
Coverage B - defense costs for specific administrative actions	\$100,000/claim	\$5,000
Workers' Compensation		
Bodily Injury by Accident	\$2,000,000	
Bodily Injury by Disease	\$2,000,000	
Student Accident		
All Student Coverage	\$25,000	
Catastrophic Coverage	\$7,500,000	\$25,000
Excess Liability	\$24,000,000	\$16,000,000

Single Audit Section



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

Independent Auditors' Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America; audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities and each major fund of the Livingston Board of Education, in the County of Essex, New Jersey (the "District") as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated March 8, 2022.

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) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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

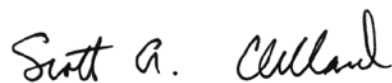
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statements 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

March 8, 2022
Florham Park, New Jersey



Report on Compliance For Each Major Federal and State Program and Report
on Internal Control Over Compliance Required by the Uniform Guidance and New
Jersey OMB Circular 15-08

Independent Auditors' Report

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

Report on Compliance for Each Major Federal and State Program

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

Management's Responsibility

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

Auditors' Responsibility

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

the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and New Jersey OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards, the Uniform Guidance and New Jersey OMB Circular 15-08 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal and state program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal and State Program

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2021.

Report on Internal Control Over Compliance

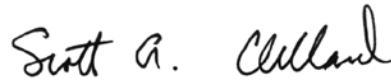
Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the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

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

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

Purpose of the Report

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



Scott A. Clelland
Licensed Public School Accountant
No. 1049



WISS & COMPANY, LLP

March 8, 2022
Florham Park, New Jersey

Livingston Board of Education
Schedule of Expenditures of Federal Awards

Year ended June 30, 2021

Federal Grantor/Pass-Through Grantor/Program Title	Federal AL Number	Federal FAIN Number	Grant Period	Award Amount	June 30, 2020		Cash Received	Budgetary Expenditures	Repayment of Prior year Balances	June 30, 2021	
					Unearned Revenue	(Accounts Receivable)				(Accounts Receivable)	Due to Grantor
General Fund:											
U.S. Department of Health and Human Services- Passed Through the State Department of Education:											
Medical Assistance - SEMI	93.778	2005NJ5MAP	7/1/20-6/30/21	\$ 29,535			\$ 29,535				
Total General Fund							<u>29,535</u>				
Special Revenue Fund:											
U.S. Department of Education - Passed Through the State Department of Education:											
Title I, Part A	84.010A	S010A190030	7/1/19-9/30/20	124,637	\$ (80,373)		80,373				
Title I, Part A	84.010A	S010A200030	7/1/20-9/30/21	132,333			71,433	(132,333)		\$ (60,900)	
Title II-A	84.367A	S367A190029	7/1/19-9/30/20	76,261	(48,016)		48,016				
Title II-A	84.367A	S367A200029	7/1/20-9/30/21	77,886			38,475	(77,886)		(39,411)	
Title III	84.365A	S365A190030	7/1/19-9/30/20	20,360	(18,218)		18,218				
Title III	84.365A	S365A200030	7/1/20-9/30/21	28,958			22,385	(28,958)		(6,573)	
Title IV	84.424	S424A190031	7/1/19-9/30/20	10,000	(8,450)		8,450				
Title IV	84.424	S424A200031	7/1/20-9/30/21	10,000			9,500	(10,000)		(500)	
Special Education Cluster:											
IDEA Part B, Basic	84.027A	H027A200100	7/1/19-9/30/20	1,309,855	(628,709)		659,215	(30,506)			
IDEA Part B, Basic	84.027A	H027A190100	7/1/20-9/30/21	1,413,789			982,478	(1,395,084)		(412,606)	
IDEA Part B, Preschool	84.173A	H173A190114	7/1/19-9/30/20	56,747	(38,045)		38,045				
IDEA Part B, Preschool	84.173A	H173A200114	7/1/20-9/30/21	57,132			40,861	(57,132)		(16,271)	
Total Special Education Cluster							<u>1,720,599</u>	<u>(1,482,722)</u>		<u>(428,877)</u>	
COVID-19 Cares Emergency Relief (ESSER)	84.425D	S425D200027	3/13/20-10/15/22	126,321	(83,978)		126,321	(42,343)			
Total U.S. Department of Education - Passed Through the State Department of Education							<u>2,143,770</u>	<u>(1,774,242)</u>		<u>(536,261)</u>	
U.S. Department of Treasury Passed-Through State Department of Education											
COVID-19 Coronavirus Relief Fund	21.019	SLT0228	3/13/20-12/31/20	171,545			171,545	(171,545)			
COVID-19 Nonpublic Technology - Coronavirus Relief Fund	21.019	SLT0228	3/13/20-12/31/20	61,597			61,597	(61,597)			
Total Coronavirus Relief Fund							<u>233,142</u>	<u>(233,142)</u>			
Total U.S. Department of Treasury Passed-Through State Department of Education							<u>233,142</u>	<u>(233,142)</u>			
Total Special Revenue Fund							<u>2,376,912</u>	<u>(2,007,384)</u>		<u>(536,261)</u>	
Total Federal Awards Expenditures							<u>\$ -</u>	<u>-\$ (905,789)</u>		<u>-\$ (536,261)</u>	
							<u>2,406,447</u>	<u>-\$ (2,036,919)</u>		<u>-\$ -</u>	

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

Livingston Board of Education

K-4
Schedule B

Schedule of Expenditures of State Financial Assistance

Year ended June 30, 2021

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	June 30, 2020		Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	June 30, 2021		Memo	
				(Accounts Receivable)	Due to Grantor				(Accounts Receivable)	Due to Grantor		
										Cumulative Total Expenditures		
State Department of Education												
General Fund:												
Special Education Categorical Aid	495-034-5120-089	7/1/20-6/30/21	\$ 3,126,294			\$ 2,836,469	\$ (3,126,294)		\$ (289,825)	\$ (3,126,294)		
Special Education Categorical Aid	495-034-5120-089	7/1/19-6/30/20	2,874,002	\$ (269,890)		269,890	(1,303,530)		(120,844)	(1,303,530)		
Transportation Aid	495-034-5120-014	7/1/20-6/30/21	1,303,530			1,303,530	(434,880)		(40,316)	(434,880)		
Transportation Aid	495-034-5120-014	7/1/19-6/30/20	434,880	(121,885)		121,885						
Security Aid	495-034-5120-084	7/1/20-6/30/21	434,880	(43,551)		173,209	(2,495,779)			(2,495,779)		
Security Aid	495-034-5120-084	7/1/19-6/30/20	2,495,779			1,729,264	(60,209)			(60,209)		
Extraordinary Aid	100-034-5120-473	7/1/20-6/30/21	1,729,264	(1,729,264)								
Extraordinary Aid	100-034-5120-473	7/1/19-6/30/20	60,209									
Additional NonPublic Transportation Aid	Not available	7/1/20-6/30/21	3,227									
Additional NonPublic Transportation Aid	Not available	7/1/19-6/30/20	3,227									
On-Behalf Teachers' Pension and Annuity Fund	495-034-5094-002	7/1/20-6/30/21	14,444,056			14,444,056	(14,444,056)			(14,444,056)		
On-Behalf Teachers' Pension and Annuity Fund	495-034-5094-001	7/1/20-6/30/21	4,526,542			4,526,542	(4,526,542)			(4,526,542)		
On-Behalf Teachers' Pension and Annuity Fund - Post-Retirement Medical	495-034-5094-004	7/1/20-6/30/21	8,316			8,316	(8,316)			(8,316)		
On-Behalf Teachers' Pension and Annuity Fund - Non-Contributory Insurance	495-034-5094-003	7/1/20-6/30/21	3,967,225			3,967,225	(3,967,225)			(3,967,225)		
Reimbursed TPAP - Social Security	495-034-5094-003	7/1/20-6/30/21	3,890,250	(191,689)		191,689						
Reimbursed TPAP - Social Security	495-034-5094-003	7/1/19-6/30/20	29,849,022	(2,359,486)			(30,366,831)		(450,985)	(30,366,831)		
Total General Fund												
Special Revenue Fund:												
New Jersey Non-Public Aid:												
Textbook Aid	100-034-5120-064	7/1/20-6/30/21	48,933			48,933	(48,251)	938		682	(48,251)	
Textbook Aid	100-034-5120-064	7/1/19-6/30/20	46,016		\$ 938							
Technology Aid	100-034-5120-373	7/1/19-6/30/20	53,028		64			64				
Security Aid	100-034-5120-509	7/1/20-6/30/21	255,675			255,675	(254,967)	12,971		708	(254,967)	
Security Aid	100-034-5120-509	7/1/19-6/30/20	228,150		12,971							
Nonpublic STEM grant	100-034-5068-051	7/1/20-6/30/21	8,286				(8,286)			(8,286)		
Non Public Auxiliary Services (Ch. 192):												
Compensatory Education	100-034-5120-067	7/1/20-6/30/21	63,229			63,229	(54,867)	10,464		8,362	(54,867)	
Compensatory Education	100-034-5120-067	7/1/19-6/30/20	55,567	(6,503)	10,464	6,503						
Home Instruction		7/1/19-6/30/20	3,802	(3,802)		3,802						
Non Public Handicapped Services (Ch. 193):												
Supplemental Instruction	100-034-5120-066	7/1/20-6/30/21	185,371			185,371	(149,982)			35,389	(149,982)	
Supplemental Instruction	100-034-5120-066	7/1/19-6/30/20	204,798	(31,261)	34,317	31,261		34,317				
Examination and Classification		7/1/20-6/30/21	249,736			249,736	(194,560)			55,176	(194,560)	
Examination and Classification		7/1/19-6/30/20	255,861	(17,333)	80,068	17,333		80,068				
Corrective Speech		7/1/20-6/30/21	71,089			71,089	(40,466)			30,623	(40,466)	
Corrective Speech		7/1/19-6/30/20	73,823	(5,226)	24,243	5,226		24,243				
Non Public Nursing Services		7/1/20-6/30/21	149,022			149,022	(149,022)				(149,022)	
Non Public Nursing Services		7/1/19-6/30/20	1,087,180	(64,125)	163,065	1,087,180	(900,201)	163,065	(8,286)	131,140	(900,201)	
Total Special Revenue Fund												
Debt Service Fund:												
Debt Service Aid												
Total Debt Service Fund	495-034-5120-017	7/1/20-6/30/21	778,801			778,801	(778,801)				(778,801)	
Total Debt Service Fund	495-034-5120-017	7/1/19-6/30/20	778,801			778,801	(778,801)				(778,801)	
Total State Financial Assistance				\$ (2,423,611)	\$ 163,065	\$ 31,715,003	\$ (32,045,833)	\$ 163,065	\$ (2,391,065)	\$ 131,140	\$ (32,045,833)	
State Financial Assistance Not Subject to Single Audit Determination:												
On-Behalf Teachers' Pension and Annuity Fund												
On-Behalf Teachers' Pension and Annuity Fund - Post-Retirement Medical	495-034-5094-002	7/1/20-6/30/21	14,444,056			14,444,056	(14,444,056)				(14,444,056)	
On-Behalf Teachers' Pension and Annuity Fund - Non-Contributory Insurance	495-034-5094-001	7/1/20-6/30/21	4,526,542			4,526,542	(4,526,542)				(4,526,542)	
On-Behalf Teachers' Pension and Annuity Fund - Non-Contributory Insurance	495-034-5094-004	7/1/20-6/30/21	8,733			8,733	(8,316)			(8,316)		
On-Behalf Teachers' Pension and Annuity Fund - Non-Contributory Insurance	495-034-5094-004	7/1/19-6/30/20	8,733									
Total State Financial Assistance Subject to Single Audit Determination				\$ (2,423,611)	\$ 163,065	\$ 12,736,889	\$ (13,066,919)	\$ 163,065	\$ (2,391,065)	\$ 131,140	\$ (13,066,919)	

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, 2021

1. Basis of Presentation

The accompanying schedules of expenditures of federal awards and state financial assistance include the federal award and state financial assistance activity under programs of the federal and state government for the year ended June 30, 2021. 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 and state financial assistance passed through other government agencies, are included on the schedules of expenditures of federal awards and state financial assistance.

The information in these schedules are presented in accordance with the requirements of Title 2 U.S, *Code of Federal Regulations Part 200-Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Therefore, some amounts presented in these schedules may differ from amounts presented, or used in the preparation of, the basic financial statements. Because the schedules present only selected portions of the operations of the District, they are not intended to and do not present the financial position, changes in net position, or cash flows of the District.

2. Summary of Significant Accounting Policies

The expenditures reported on the accompanying schedules of expenditures of federal awards and state financial assistance (Schedules) are presented on the budgetary basis of accounting with the exception of programs recorded in the enterprise fund, which are presented using the accrual basis of accounting and those recorded in the special revenue fund, which are presented using the budgetary basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance and New Jersey OMB Circular 15-08, wherein certain types of expenditures are allowable or are limited as to reimbursement. These bases of accounting is described in Note 1 to the District's basic financial statements.

3. Relationship to Basic Financial Statements

Amounts reported in the accompanying schedules agree with amounts reported in the District's basic financial statements. The basic financial statements present the general fund and special revenue fund on a GAAP basis. Budgetary comparison statements or schedules (RSI) are presented for the general fund and special revenue fund to demonstrate finance-related legal compliance in which certain revenue is permitted by

Livingston Board of Education

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

Year ended June 30, 2021

3. Relationship to Basic Financial Statements (continued)

law or grant agreement to be recognized in the fiscal year, whereas for GAAP reporting, revenue is not recognized until the subsequent year or when expenditures have been made.

The general fund is presented in the accompanying schedules on the modified accrual basis of accounting with the exception of the revenue recognition of the last two state aid payments in the current year, which is mandated pursuant to N.J.S.A. 18A:22-44.2. For GAAP purposes, those payments are not recognized until the subsequent year due to the state deferral and recording of the last two state aid payments in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis, which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The special revenue fund also recognizes the last state aid payments in the current budget year, consistent with N.J.S.A. 18A:22-44.2.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$49,634 for the general fund and \$46,828 for the special revenue fund. See Note to Required Supplementary Information for a reconciliation for the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds (C-3). Federal and State award revenues are reported in the District's basic financial statements on a GAAP basis as follows:

	Federal	State	Total
General Fund	\$ 29,535	\$ 30,351,151	\$ 30,380,686
Special Revenue Fund	2,043,877	910,536	2,954,413
Debt Service Fund		778,801	778,801
Total financial award revenues	<u>\$ 2,073,412</u>	<u>\$ 32,040,488</u>	<u>\$ 34,113,900</u>

Livingston Board of Education

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

Year ended June 30, 2021

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. Indirect Costs

The District elected to not use the 10% de minimis indirect cost rate as allowed by the Uniform Guidance.

6. Other

TPAF Social Security Contributions represent the amount reimbursed by the State for the employer's share of Social Security contributions for TPAF members for the year ended June 30, 2021.

The post retirement pension and medical benefits received on-behalf of the District for the year ended June 30, 2021 amounted to \$18,978,914. Since on-behalf post retirement pension, disability insurance and medical benefits are paid by the State directly, these expenditures are not subject to a single audit in accordance with New Jersey OMB Circular 15-08, however they are reported on the Schedule of Expenditures of State Financial Assistance, as directed by the funding agency.

Livingston Board of Education

Schedule of Findings and Questioned Costs

Year ended June 30, 2021

Part I – Schedule of Auditors’ Results

Financial Statements

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

Unmodified

Internal control over financial reporting:

Material weakness(es) identified?

_____ Yes X No

Significant deficiency(ies) identified?

_____ Yes X None Reported

Noncompliance material to the basic financial statements noted?

_____ Yes X No

Federal Awards

Internal control over major federal programs:

Material weakness(es) identified?

_____ Yes X No

Significant deficiency(ies) identified?

_____ Yes X None Reported

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

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

_____ Yes X No

Identification of major federal programs:

AL Number(s)	FAIN Number	Name of Federal Program or Cluster
84.027/84.173 21.019	H027A190100 / H173A190114 SLT0228	IDEA Part B, Basic and Preschool (Special Education Cluster) COVID-19 Coronavirus Relief Fund and Nonpublic Technology (CRF)

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

\$750,000

Auditee qualified as low-risk auditee?

 X Yes _____ No

Livingston Board of Education
 Schedule of Findings and Questioned Costs
 Year ended June 30, 2021

Part I – Schedule of Auditors’ Results

State Financial Assistance

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

Auditee qualified as low-risk auditee? X Yes No

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

Internal control over major state programs:

Material weakness(es) identified? Yes X No

Significant deficiency(ies) identified? Yes X None Reported

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

Identification of major state programs:

GMIS/Program Number	Name of State Program or Cluster
495-034-5094-003	Reimbursed TPAF Social Security Contributions
495-034-5120-017	Debt Service Aid

Livingston Board of Education
Schedule of Findings and Questioned Costs
Year ended June 30, 2021

Part II - Schedule of Financial Statement Findings

No compliance or internal control over financial reporting findings noted that are required to be reported under *Government Auditing Standards*.

Livingston Board of Education
Schedule of Findings and Questioned Costs
Year ended June 30, 2021

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

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

Federal Award Programs

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

State Financial Assistance Programs

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

Livingston Board of Education
Summary Schedule of Prior Year Audit Findings
Year ended June 30, 2021

No prior year findings were noted.