

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, 2022*

Livingston Board of Education

Livingston Township, New Jersey

Annual Comprehensive Financial Report
For the Year Ended June 30, 2022

Prepared by Livingston Township School District
Business Office
Mr. Michael Davison
Business Administrator, Board Secretary
Ms. Tatiana Gilbert
Assistant Business Administrator

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Introductory Section

LIVINGSTON BOARD OF EDUCATION

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Michael Davison
**Business Administrator/Board
Secretary**

March 10, 2023

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, 2022, 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, 2022 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 2021-2022 fiscal year with an average daily enrollment of 6,171 students, which is an increase of 151 students from the previous year's average daily enrollment. The following details the changes in the average daily enrollment of the District over the last five years.

Average Daily Enrollment

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2021-22	6,171	2.45%
2020-21	6,020	(1.63%)
2019-20	6,120	1.88%
2018-19	6,007	0.60%
2017-18	5,971	0.98%

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 through the exploration of essential questions.

Our professional development supports the implementation of our standards-based curriculum and ties into our district goals of Equity, Differentiation and Individualized Learning, Building

Quality Assessments for all Learners, Social/Emotional Learning and Building Relationships, Classroom Discourse, Interdisciplinary Problem-Based, and Student-Initiated Learning Experiences, and Using Technology to Support Student Learning. Additionally, professional development is offered throughout the year to address teacher interests and needs. 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). This year we focused on building our Livingston U catalog to bolster professional development opportunities for LPS professionals. 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 environment, 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:**

Math In Focus continues to be implemented across the District. This year it was introduced in the fourth grade with additional collaboration with third grade teachers.

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. As we move out of the pandemic, the entire District is transitioning to Schoology to build a more streamlined and consistent experience for students.

c) **Science/STEAM:**

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. 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 further developed with a second year cycle curriculum and is being taught by Art, Gifted and Talented, Media, and Technology teachers across the District.

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, 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 The College of New Jersey, Fairleigh Dickinson University, Montclair State University, Kean University, and Ramapo College.

Our main themes for professional development include the following:

- Assessment and Student Learning
- Social and Emotional Learning
- Culturally Responsive Classroom
- Equity and Inclusion
- Instructional Strategies
- Schoology Student Learning Management System
- 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, 2022.

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 PKF O'Connor Davies, LLP was selected by the Board. In addition to meeting the requirements set forth in State statutes, the audit also was designed to meet the requirements of the Federal Uniform Guidance and New Jersey OMB Circular 15-08. The auditors' report on the basic financial statements and combining and individual fund statements, required supplementary information and other supplementary information are included in the financial section of this report. The auditors' reports related specifically to the single audit are included in the single audit section of this report.

9. Acknowledgments

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

Respectfully Submitted,

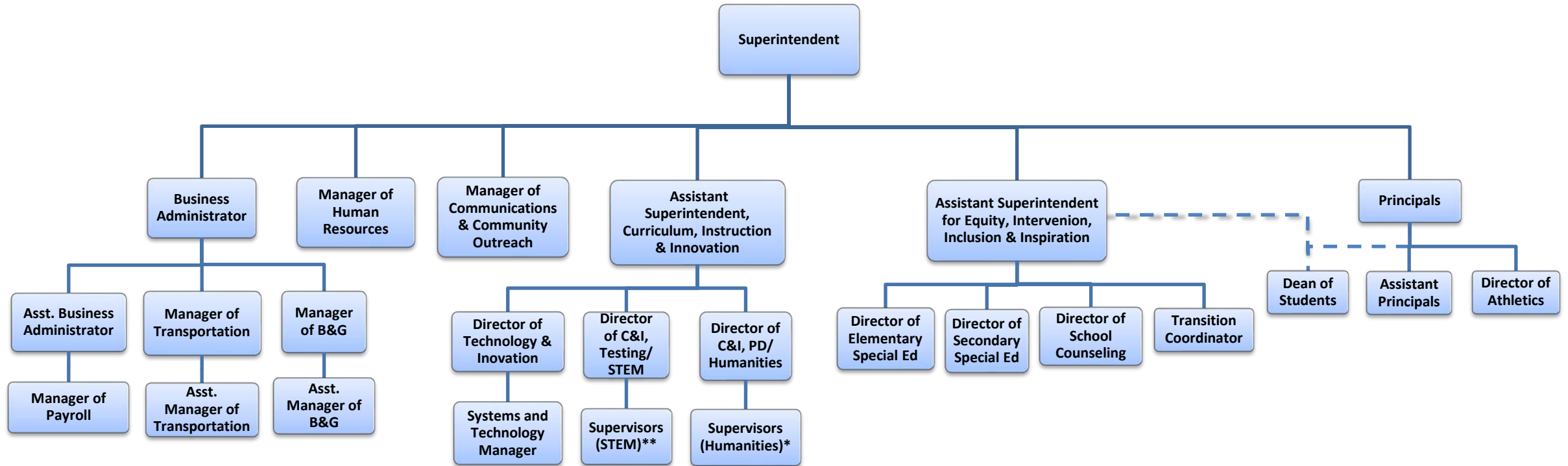


Matthew Block, Ed.
Superintendent of Schools



Michael Davison
School Business Administrator / Board Secretary

Livingston Public Schools
Organizational Chart
June 30, 2022



Livingston Board of Education

Roster of Officials

As of June 30, 2022

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Mr. Seth Cohen, President	2022
Mrs. Vineeta Khanna, Vice-President	2023
Mrs. Jenissa Arnette	2024
Mrs. Pamela Chirls	2022
Mrs. Samantha Messer	2022
 <u>Other Officials</u>	
Mr. Matthew J. Block Ed.D., Superintendent of Schools	
Mr. Michael Davison, 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 (through June 30, 2022)	
Ms. Tatiana Gilbert, Assistant Business Administrator (commencing on July 1, 2022)	

Livingston Board of Education

Independent Auditor and Advisors

June 30, 2022

Architects

DiCara Rubino Architects
30 Galesi Drive
Wayne, New Jersey 07470

Gianforcaro Architects
555 East Main Street
Chester, New Jersey 07930

Independent Auditor

PKF O'Connor Davies, LLP
20 Commerce Drive
Cranford, NJ 07016

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

Report on the Audit of the Financial Statements

Opinions

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 (the "District"), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying 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, 2022, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS); 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 (*Government Auditing Standards*). Our responsibilities under those standards and requirements are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Change in Accounting Policy

We draw attention to Note 17 in the notes to financial statements which disclose the effects of the District's adoption of the provisions of Governmental Accounting Standards Board ("GASB") Statement No. 87, *Leases*. Our opinion is not modified with respect to this matter.

PKF O'CONNOR DAVIES, LLP
20 Commerce Drive, Suite 301, Cranford, NJ 07016 | Tel: 908.272.6200 | Fax: 908.272.2416 | www.pkfod.com

PKF O'Connor Davies, LLP is a member firm of the PKF International Limited network of legally independent firms and does not accept any responsibility or liability for the actions or inactions on the part of any other individual member firm or firms.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis and the schedules included under Required Supplementary Information in the accompanying table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary 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 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, are presented for additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 GAAS. 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.

Other Information

Management is responsible for the other information included in the Annual Comprehensive Financial Report for the year ended June 30, 2022. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 10, 2023 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.

PKF O'Connor Davies, LLP

Cranford, New Jersey
March 10, 2023

Scott A. Clelland

Scott A. Clelland, CPA
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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, 2022

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, 2022. 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 the year ended June 30, 2022 are as follows:

- The District ended the year with Governmental net position of \$60,612,751. Net position 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 \$152,155,548 of revenues or 95 percent of all revenues. Program specific revenues in the form of charges for services and operating grants and contributions accounted for \$7,970,617 or 5 percent of total revenues of 160,125,165 (Schedule A-2).
- The District had \$162,168,877 in governmental funds expenditures (Schedule B-2). Of that amount, the General Fund expenditures totaled \$147,987,651, including \$29,131,419 in State on-behalf TPAF pension and social security contributions. Grant and Student Activity-related expenditures totaled \$5,792,926 in the special revenue fund. Business-type activities expenses were \$1,496,311 (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 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/amortization 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,

	2022			2021		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-Type Activities	Total
Assets:						
Current and other assets	\$ 31,815,050	\$ 351,272	\$ 32,166,322	\$ 27,591,929	\$ 239,906	\$ 27,831,835
Capital assets, net	142,995,535	77,959	143,073,494	145,621,111	107,492	145,728,603
Total assets	174,810,585	429,231	175,239,816	173,213,040	347,398	173,560,438
Deferred outflows of resources	4,962,047		4,962,047	7,344,758		7,344,758
Liabilities:						
Current liabilities	16,203,698	319,017	16,522,715	14,748,928	224,229	14,973,157
Long-term liabilities	91,948,426	17,821	91,966,247	104,045,985	38,397	104,084,382
Total liabilities	108,152,124	336,838	108,488,962	118,794,913	262,626	119,057,539
Deferred inflow of resources	11,007,757		11,007,757	9,982,151		9,982,151
Net position:						
Net investment in capital assets	68,347,168	39,562	68,386,730	66,474,442	47,490	66,521,932
Restricted	20,434,565		20,434,565	16,890,856		16,890,856
Unrestricted (deficit)	(28,168,982)	52,831	(28,116,151)	(31,584,564)	37,282	(31,547,282)
Total net position	\$ 60,612,751	\$ 92,393	\$ 60,705,144	\$ 51,780,734	\$ 84,772	\$ 51,865,506

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/amortization less any related debt (general obligation bonds payable and related unamortized premium and deferred interest costs on the refunding of bonds and obligations under 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/amortization 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. 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 \$1.9 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 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, 2022 and 2021.:

Table 2
Changes in Net Position
Years ended June 30,

	2022			2021		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-Type Activities	Total
Revenues:						
Program revenues:						
Charges for services	\$ 1,384,452	\$ 1,503,368	\$ 2,887,820	\$ 1,042,009	\$ 34,741	\$ 1,076,750
Operating grants and contributions	5,082,797		5,082,797	2,981,957	30,000	3,011,957
Capital grants and contributions						
Total program revenues	6,467,249	1,503,368	7,970,617	4,023,966	64,741	4,088,707
General revenues:						
Property taxes	118,769,161		118,769,161	117,587,404		117,587,404
Federal aid not restricted to specific purposes	19,091		19,091	29,535		29,535
State aid not restricted to specific purposes	32,548,348		32,548,348	45,603,020		45,603,020
Investment earnings	174,088	564	174,652	105,416	564	105,980
Rental income	347,798		347,798	245,336		245,336
Miscellaneous	296,498		296,498	431,742		431,742
Total general revenues	152,154,984	564	152,155,548	164,002,453	564	164,003,017
Expenses:						
Instructional services	97,194,603		97,194,603	105,663,539		105,663,539
Support services	49,932,795	1,496,311	51,429,106	52,696,441	272,234	52,968,675
Charter schools	112,768		112,768	138,254		138,254
Interest on long-term debt	2,550,050		2,550,050	2,728,110		2,728,110
Total expenses	149,790,216	1,496,311	151,286,527	161,226,344	272,234	161,498,578
Transfers				(155,000)	155,000	-
Change in net position	8,832,017	7,621	8,839,638	6,645,075	(51,929)	6,593,146
Net position - beginning	51,780,734	84,772	51,865,506	45,135,659	136,701	45,272,360
Net position - ending	\$ 60,612,751	\$ 92,393	\$ 60,705,144	\$ 51,780,734	\$ 84,772	\$ 51,865,506

Property taxes made up 78.10% of revenues for governmental activities for the District for fiscal year 2022. Federal and state unrestricted aid accounted for another 21.40% of revenue. Property taxes increased within allowable caps as permitted by New Jersey regulations.

The total cost of all programs and services was \$151,286,527. Instruction comprised 64.25% of District expenses. Instructional expenses include activities directly dealing with the teaching of pupils and the interaction between teacher and student, including extracurricular activities.

State aid decreased mainly due to a decrease in the on-behalf payments made by the State related to employee pensions.

Business-type program expenses increased from the prior year due to the District returning to normal operations after 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 \$15,325,293, assigned fund balances were \$526,319 and the unassigned fund balance was \$6,117,209, while the total fund balance was \$21,968,821 (B-1). For the year ended June 30, 2022, the District generated excess surplus in the amount of \$2,899,578.

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 \$2,194,638 and \$2,354,463, respectively, mainly due to the expenditure of COVID-related grants. IDEA continues to be the largest grant in the special revenue fund, with expenditures in the current fiscal year of \$1,778,009, which includes \$329,411 of ARP funds.

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, 2022.

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 \$308,531 at June 30, 2022.

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, 2022, and the amount and percentage of increases in relation to prior year revenues.

Revenues	Amount	Percent of Total	Increase from 2021	Percent of Increase
Local sources	\$ 120,971,786	73.7%	\$ 1,533,073	1.3%
State sources	39,015,254	23.8%	6,974,766	21.8%
Federal sources	4,051,075	2.5%	1,977,663	95.4%
Total	\$ 164,038,115	100.0%	\$ 10,485,502	6.8%

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, 2022, and the amount and percentage of increases and decreases in relation to prior year expenditures.

Expenditures	Amount	Percent of Total	Increase (Decrease) from 2021	Percent of Increase (Decrease)
Current expense:				
Instruction	\$ 61,231,316	37.8%	\$ 4,722,484	8.4%
Support services	88,581,129	54.6%	9,472,591	12.0%
Capital outlay	3,855,364	2.4%	(371,529)	-8.8%
Charter schools	112,768	0.1%	(25,486)	-18.4%
Debt service	8,388,300	5.2%	217,050	2.7%
Total	\$ 162,168,877	100.0%	\$ 14,015,110	9.5%

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 lesser equipment and improvement purchase activity during the 2021-22 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 \$416,477 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 – an increase of \$468,799 was mainly due to increased need for transportation services. The increased need was caused by hybrid scheduling returning back to normal as well as more extracurricular activities and class trips requiring transportation.
- Unallocated benefits – health benefits – a decrease of \$1,363,923 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 2022, the District had \$142,995,535 invested in land, land improvements, building and building improvements, machinery, equipment and vehicles, net of accumulated depreciation/amortization.

The following presents a comparison for 2022 and 2021 for governmental and proprietary fund capital assets:

Capital Assets (Net of Depreciation/Amortization)

	Year Ended June 30,	
	2022	2021 (restated)
Land	\$ 3,253,263	\$ 3,253,263
Land improvements	429,098	469,583
Building and building improvements	130,403,397	135,000,504
Machinery, equipment and vehicles	7,470,819	7,005,253
Right to use asset - leased building	1,052,364	1,183,909
Right to use asset - leased equipment	464,553	644,380
Total	<u>\$ 143,073,494</u>	<u>\$ 147,556,892</u>

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

Debt Administration and Long-term Liabilities

At June 30, 2022, the District had \$100,620,827 of long-term liabilities. Of this amount, \$6,940,407 relates to compensated absences; \$4,419,552 relates to various financed purchases payable; \$1,533,475 relates to leases payable, \$64,660,000 of serial bonds for school construction and renovation projects; \$16,861,044 relates to the net pension liability, \$6,146,043 is for the unamortized premium on bonds and \$60,304 is for the unamortized premium on financed purchases.

At June 30, 2022, the District's overall remaining limitation of indebtedness was \$221,885,383. 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, 2022.

Livingston Board of Education

Statement of Net Position

June 30, 2022

	Governmental Activities	Business-type Activities	Total
Assets			
Cash and cash equivalents	\$ 27,770,713	\$ 341,354	\$ 28,112,067
Investments	63,063		63,063
Accounts receivable	3,981,274		3,981,274
Inventories		9,918	9,918
Capital assets, non-depreciable	3,253,263		3,253,263
Capital assets being depreciated/amortized, net	139,742,272	77,959	139,820,231
Total assets	<u>174,810,585</u>	<u>429,231</u>	<u>175,239,816</u>
Deferred outflows of resources			
Unamortized loss on refunding of debt	2,171,008		2,171,008
Pension deferrals	2,791,039		2,791,039
Total deferred outflows of resources	<u>4,962,047</u>		<u>4,962,047</u>
Liabilities			
Accounts payable	2,161,044	121,603	2,282,647
Accrued interest payable	1,356,030		1,356,030
Intergovernmental payables:			
State	86,301		86,301
Payroll deductions and withholdings payable	3,629,095		3,629,095
Unearned revenue	298,827	176,838	475,665
Net pension liability	16,861,044		16,861,044
Current portion of long-term obligations	8,672,401	20,576	8,692,977
Noncurrent portion of long-term obligations	75,087,382	17,821	75,105,203
Total liabilities	<u>108,152,124</u>	<u>336,838</u>	<u>108,488,962</u>
Deferred inflow of resources			
Pension deferrals	11,007,757		11,007,757
Net position			
Net investment in capital assets	68,347,168	39,562	68,386,730
Restricted for:			
Capital projects	4,540,653		4,540,653
Capital reserve	8,948,473		8,948,473
Emergency reserve	1,000,000		1,000,000
Excess fund balance	4,833,463		4,833,463
Unemployment compensation	543,357		543,357
Student activities	568,619		568,619
Unrestricted (deficit)	(28,168,982)	52,831	(28,116,151)
Total net position	<u>\$ 60,612,751</u>	<u>\$ 92,393</u>	<u>\$ 60,705,144</u>

Livingston Board of Education

Statement of Activities

Year ended June 30, 2022

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	\$ 97,194,603	\$ 367,874	\$ 4,337,782	\$ (92,488,947)		\$ (92,488,947)
Support services:						
Attendance/social work	80,265			(80,265)		(80,265)
Health services	1,368,581			(1,368,581)		(1,368,581)
Other support services	14,000,055	757,717	745,015	(12,497,323)		(12,497,323)
Improvement of instruction	3,841,845			(3,841,845)		(3,841,845)
Other support: instructional staff	961,129			(961,129)		(961,129)
School library	1,876,118			(1,876,118)		(1,876,118)
General administration	1,444,922			(1,444,922)		(1,444,922)
School administration	6,619,610			(6,619,610)		(6,619,610)
Required maintenance of plant services	1,814,581			(1,814,581)		(1,814,581)
Operation of plant	7,762,382			(7,762,382)		(7,762,382)
Student transportation	5,013,351	258,861		(4,754,490)		(4,754,490)
Central services	2,551,018			(2,551,018)		(2,551,018)
Administrative information technology	2,518,884			(2,518,884)		(2,518,884)
Charter Schools	112,768			(112,768)		(112,768)
Post Secondary Programs	80,054			(80,054)		(80,054)
Interest and other charges on long-term obligations	2,550,050			(2,550,050)		(2,550,050)
Total governmental activities	149,790,216	1,384,452	5,082,797	(143,322,967)		(143,322,967)
Business-type activities						
Food service	1,496,311	1,503,368			\$ 7,057	7,057
Total business-type activities	1,496,311	1,503,368	-		7,057	7,057
Total primary government	\$ 151,286,527	\$ 2,887,820	\$ 5,082,797	(143,322,967)	7,057	(143,315,910)
General revenues:						
Property taxes, levied for general purposes				111,115,953		111,115,953
Property taxes, levied for debt service				7,653,208		7,653,208
Unrestricted federal sources				19,091		19,091
Unrestricted state sources				32,548,348		32,548,348
Investment earnings				174,088	564	174,652
Rental income				347,798		347,798
Miscellaneous income				296,498		296,498
Total general revenues				152,154,984	564	152,155,548
Change in net position				8,832,017	7,621	8,839,638
Net position—beginning of year				51,780,734	84,772	51,865,506
Net position—end of year				\$ 60,612,751	\$ 92,393	\$ 60,705,144

Fund Financial Statements

Governmental Funds

Livingston Board of Education
Governmental Funds
Balance Sheet
June 30, 2022

	Major Funds				Total Governmental Funds
	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	
Assets					
Cash and cash equivalents	\$ 21,874,664	\$ 568,619	\$ 4,547,274	\$ 308,531	\$ 27,299,088
Cash held with fiscal agents	471,625				471,625
Investments	63,063				63,063
Accounts receivable:					
State	2,376,289	5,408			2,381,697
Federal	5,862	1,568,721			1,574,583
Interfund	1,123,212				1,123,212
Other	24,994				24,994
Total assets	<u>\$ 25,939,709</u>	<u>\$ 2,142,748</u>	<u>\$ 4,547,274</u>	<u>\$ 308,531</u>	<u>\$ 32,938,262</u>
Liabilities and fund balances					
Liabilities:					
Accounts payable	\$ 181,812	\$ 232,391			\$ 414,203
Intergovernmental payables:					
State		86,301			86,301
Unearned revenue	159,981	138,846			298,827
Payroll deductions and withholdings payable	3,629,095				3,629,095
Interfunds payable		1,116,591	\$ 6,621		1,123,212
Total liabilities	<u>3,970,888</u>	<u>1,574,129</u>	<u>6,621</u>		<u>5,551,638</u>
Fund balances:					
Restricted for:					
Capital reserve	8,948,473				8,948,473
Emergency reserve	1,000,000				1,000,000
Excess fund balance - prior year designated for subsequent years	1,933,885				1,933,885
Excess fund balance-current year	2,899,578				2,899,578
Debt service				\$ 308,531	308,531
Capital projects			4,540,653		4,540,653
Unemployment compensation	543,357				543,357
Student activities		568,619			568,619
Assigned to:					
Other purposes	526,319				526,319
Unassigned	6,117,209				6,117,209
Total fund balances	<u>21,968,821</u>	<u>568,619</u>	<u>4,540,653</u>	<u>308,531</u>	<u>27,386,624</u>
Total liabilities and fund balances	<u>\$ 25,939,709</u>	<u>\$ 2,142,748</u>	<u>\$ 4,547,274</u>	<u>\$ 308,531</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 \$227,681,462 and the accumulated depreciation/amortization is \$84,685,927.	142,995,535
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.	(1,356,030)
Deferred pension costs in governmental activities are not financial resources and are therefore not reported in the funds.	(8,216,718)
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 b	2,171,008
Net pension liability is not due and payable in the current period and therefore is not reported as a liability in the funds.	(16,861,044)
Accrued pension contributions for the June 30, 2022 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.	(1,746,841)
Long-term liabilities, including bonds payable, 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>(83,759,783)</u>
Net position of governmental activities	<u>\$ 60,612,751</u>

Livingston Board of Education
Governmental Funds

Statement of Revenues, Expenditures and Changes in Fund Balances

Year ended June 30, 2022

	Major Funds				Total Governmental Funds
	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	
Revenues					
Local sources:					
Local tax levy	\$ 111,115,953			\$ 7,653,208	\$ 118,769,161
Tuition	170,376				170,376
Tuition from other LEA's	197,498				197,498
Transportation fees from individuals	258,861				258,861
Interest on investments	27,698		\$ 5,883		33,581
Investment income	63,063			77,444	140,507
Rental income	347,798				347,798
Miscellaneous	296,498	\$ 763,389			1,059,887
Total local sources	112,477,745	763,389	5,883	7,730,652	120,977,669
State sources	37,431,787	1,045,143		538,324	39,015,254
Federal sources	19,091	4,031,984			4,051,075
Total revenues	149,928,623	5,840,516	5,883	8,268,976	164,043,998
Expenditures					
Current:					
Instruction	56,893,531	4,337,785			61,231,316
Undistributed-current:					
Instruction	5,538,416				5,538,416
Attendance/social work	51,978				51,978
Health services	892,566				892,566
Support services	8,532,269	1,335,355			9,867,624
Improvement of instruction	2,507,574				2,507,574
School library	1,262,662				1,262,662
Instructional staff training	652,193				652,193
General administration	1,163,012				1,163,012
School administration	4,429,901				4,429,901
Required maintenance of plant services	1,374,441				1,374,441
Operation of plant	6,432,750				6,432,750
Student transportation	4,001,505				4,001,505
Central services	1,785,295				1,785,295
Administrative information technology	1,883,033				1,883,033
Unallocated benefits	17,526,706				17,526,706
On-behalf TPAF social security and pension contributions	29,131,419				29,131,419
Capital outlay	3,735,578	119,786			3,855,364
Post-Secondary programs	80,054				80,054
Charter Schools	112,768				112,768
Debt service:					
Principal				5,425,000	5,425,000
Interest				2,963,300	2,963,300
Total expenditures	147,987,651	5,792,926	-	8,388,300	162,168,877
Excess (deficiency) of revenues over (under) expenditures	1,940,972	47,590	5,883	(119,324)	1,875,121
Other financing sources (uses):					
Financed purchases (non-budgeted)	1,438,307				1,438,307
Transfers in	5,883			65,314	71,197
Transfers out	(65,314)		(5,883)		(71,197)
Total other financing sources (uses)	1,378,876	-	(5,883)	65,314	1,438,307
Net change in fund balances	3,319,848	47,590	-	(54,010)	3,313,428
Fund balances, July 1	18,648,973	521,029	4,540,653	362,541	24,073,196
Fund balances, June 30	\$ 21,968,821	\$ 568,619	\$ 4,540,653	\$ 308,531	\$ 27,386,624

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).

See accompanying notes to the basic financial statements.

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, 2022

Total net change in fund balances - governmental funds (from B-2)		\$ 3,313,428
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/amortization expense. This is the amount by which depreciation expense exceeded capital additions in the period.		
	Capital additions	\$ 2,493,915
	Depreciation/amortization expense	<u>(6,947,780)</u> (4,453,865)
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.		136,918
Repayments of bond, financed purchases, and 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	5,425,000
	Obligations under leases and financed purchases	<u>2,037,823</u> 7,462,823
Financed purchase proceeds provides current financial resources to governmental funds and has no effect on net position.	Principal portion	(1,438,307)
Governmental funds report the effect of premiums on bonds and 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 financed purchases	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	3,470,947
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).		37,998
Change in net position of governmental activities (A-2)		<u>\$ 8,832,017</u>

Proprietary Fund

Livingston Board of Education
Proprietary Fund

Statement of Net Position

June 30, 2022

	Major Enterprise Fund
	Food Service
Assets	
Current assets:	
Cash and cash equivalents	\$ 341,354
Inventories	9,918
Total current assets	351,272
Non-current assets:	
Capital assets - depreciable:	
Equipment	339,923
Accumulated depreciation	(261,964)
Total capital assets, net	77,959
Total assets	429,231
Liabilities	
Current liabilities:	
Accounts payable	121,603
Unearned revenue	176,838
Purchase agreement payable	20,576
Total current liabilities	319,017
Noncurrent liabilities:	
Purchase agreement payable	17,821
Total noncurrent liabilities	17,821
Total liabilities	336,838
Net position	
Net investment in capital assets	39,562
Unrestricted	52,831
Total net position	\$ 92,393

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, 2022

	Major Enterprise Fund
	Food Service
Operating revenues:	
Local sources:	
Daily food sales	\$ 1,503,368
Total operating revenues	1,503,368
Operating expenses:	
Salaries	467,036
Employee benefits	57,405
Supplies and materials	91,828
Purchased property services	118,928
Other purchased services	26,373
Cost of sales	659,026
Depreciation	29,533
Management fee	41,729
Miscellaneous	4,453
Total operating expenses	1,496,311
Operating income	7,057
Nonoperating revenues:	
Interest	564
Total nonoperating revenues	564
Change in net position	7,621
Total net position-beginning	84,772
Total net position-ending	\$ 92,393

See accompanying notes to the basic financial statements.

Livingston Board of Education
Proprietary Fund

Statement of Cash Flows

Year ended June 30, 2022

	Major Enterprise Fund Food Service
Cash flows from operating activities	
Receipts from customers	\$ 1,489,664
Payments to employees and for employee benefits	(524,441)
Payments to suppliers	(820,747)
Net cash provided by operating activities	144,476
Cash flows from capital and related financing activity	
Payment of purchase agreement payable	(21,605)
Net cash used for capital and related financing activity	(21,605)
Cash flows from noncapital financing activity	
Transfers to other funds	(25,422)
Net cash used for noncapital financing activity	(25,422)
Cash flows from investing activity	
Interest received	564
Net cash provided by investing activity	564
Net increase in cash and cash equivalents	98,013
Cash and cash equivalents, beginning of year	243,341
Cash and cash equivalents, end of year	\$ 341,354
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	\$ 7,057
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	29,533
Change in assets and liabilities:	
Decrease in inventory	12,069
Increase in accounts payable	109,521
Decrease in unearned revenue	(13,704)
Net cash provided by operating activities	\$ 144,476

See accompanying notes to the basic financial statements.

Livingston Board of Education

Notes to the Basic Financial Statements

Year ended June 30, 2022

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, 2022

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, leases, are recorded only when payment is due.

Livingston Board of Education

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2022

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, 2022

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.

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

Livingston Board of Education

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2022

1. Summary of Significant Accounting Policies (continued)

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.

With the exception of student activity and athletic funds, 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, 2022

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 are tangible and intangible 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 (except intangible right-to-use assets, which is discussed in note 4) are recorded at historical cost. Donated capital assets are valued at their acquisition value on the date of acquisition. Intangible assets follow the same capitalization policies as tangible assets and are reported with tangible capital assets and are reported with the tangible assets in the appropriate capital asset class.

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.

Land is not depreciated/amortized. The other tangible and intangible property, plant and equipment and right to use leased assets of the District are depreciated/amortized using the straight line method (half year convention in first and last year). The following estimated useful lives are used to compute depreciation/amortization:

	<u>Years</u>
Machinery and equipment	3-20
Buildings	50-100
Building improvements	20
Solar panels	25
Vehicles	5-10
Right to use assets – equipment	3-5
Right to use assets - buildings	20

Livingston Board of Education

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2022

1. Summary of Significant Accounting Policies (continued)

The costs associated with the acquisition or construction of tangible and intangible capital assets are shown as capital outlay expenditures on the governmental fund financial statements. Capital asset are not shown on the governmental fund balance sheets.

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 was disbursed prior to June 30, 2022.

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 assets 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 assets 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, 2022 amounted to \$205,052 and the remaining balance at June 30, 2022 is \$2,171,008.

Livingston Board of Education

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2022

1. Summary of Significant Accounting Policies (continued)

L. Compensated Absences

A liability for compensated absences that are attributable to services already rendered and that are not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the rights to the benefits. The District uses the “vesting method” for estimating its accrued sick and vacation leave liability. District employees are granted vacation and sick leave in varying amounts under the District’s personnel policies. In the event of termination, an employee is reimbursed for accumulated vacation. Sick leave benefits provide for ordinary sick pay and begin vesting with the employee after one year of service.

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

As of June 30, 2022, a liability existed for compensated absences in the government-wide financial statements in the amount of \$6,940,407.

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.

Livingston Board of Education

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2022

N. Leases

The District is a lessee for noncancellable leases of buildings and equipment. The District recognizes a lease liability and an intangible right-to-use lease asset ("lease asset") in the government-wide financial statements. The District recognizes lease liabilities with an initial, individual value of \$100,000 or more.

At commencement of a lease, the District initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease is amortized on a straight-line basis over its useful life. Key estimates and judgements related to leases include how the District determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

The District uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the District uses its estimated incremental borrowing rate as the discount rate for leases.

The lease term includes the non-cancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and any purchase option price that the District is reasonably certain to exercise. The District monitors changes in circumstances that would require a remeasurement of its leases and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term liabilities on the Statement of Net Position.

O. Fund Balances

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

Livingston Board of Education

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2022

1. Summary of Significant Accounting Policies (continued)

O. Fund Balances (continued)

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

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed. For the unrestricted fund balance, the District first spends committed funds, then assigned funds, and finally, unassigned funds.

Of the \$21,968,821 of fund balance in the General Fund, \$8,948,473, has been restricted in the capital reserve account, \$1,000,000 has been restricted in an emergency reserve account, \$2,899,578 has been restricted for excess surplus-current year, \$1,933,885 has been restricted for prior year excess surplus that has been designated for subsequent year's expenditures, \$543,357 has been reserved for unemployment compensation, \$526,319 of outstanding encumbrances is

Livingston Board of Education

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2022

1. Summary of Significant Accounting Policies (continued)

O. Fund Balances (continued)

assigned to other purposes, and \$6,117,209 is unassigned. There is \$568,619 of fund balances in the Special Revenue Fund at June 30, 2022, which is restricted for student activities. There is \$4,540,653 of fund balance in the Capital Projects Fund at June 30, 2022, which is restricted for capital projects. There is \$308,531 of fund balance at June 30, 2022 in the Debt Service Fund, of which \$165,773 has been budgeted for use in the 2022-23 budget.

P. 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.

Q. 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.

R. 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 reduced by \$14,730,075 to adjust for the full accrual basis expense incurred by the State of New Jersey during the most recent measurement period. The amounts are not required to be included in the District's annual budget.

Livingston Board of Education

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2022

1. Summary of Significant Accounting Policies (continued)

S. 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 year's budget. The excess fund balance at June 30, 2022 was \$4,833,463. Of this amount, \$1,933,885 has been appropriated in the 2022-23 budget and the remaining \$2,899,578 will be appropriated in the 2023-24 budget.

T. 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 reviewed the requirements of GASB No. 87 and has implemented the Statement effective for the year ended June 30, 2022. See Note 5, long term liabilities – lease payable in the notes to the financial statements which discloses the effects of the District's adoption of the provisions of GASB No. 87, *Leases*.

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.

The GASB issued Statement No. 99, *Omnibus 2022* in April 2022. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. 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.

The GASB issued Statement No. 101, *Compensated Absences* in June 2022. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending

Livingston Board of Education

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2022

1. Summary of Significant Accounting Policies (continued)

certain previously required disclosures. The requirements of this Statement are effective for periods beginning after December 15, 2023, and all reporting periods thereafter. Earlier application is encouraged. Management has not determined the impact of the Statement on the financial statements.

U. Subsequent Events

Management has reviewed and evaluated all events and transactions that occurred between June 30, 2022 and March 10, 2023 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.

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, leases payable, financed purchases 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 \$83,759,783 difference are as follows:

Bonds payable	\$	64,660,000
Premium on bonds and leases		6,206,347
Financed purchases payable		4,419,553
Leases payable		1,533,475
Compensated absences		6,940,408
Net adjustment to reduce fund balance - total governmental funds to arrive at net position - governmental activities	\$	<u>83,759,783</u>

Livingston Board of Education

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2022

3. Deposits and Investments

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

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

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

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

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

Deposits

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

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

Livingston Board of Education

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2022

3. Deposits and Investments (continued)

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, 2022, the carrying amount of the District's deposits was \$27,640,618 and the bank balance was \$31,201,955 not including cash held with fiscal agents. Of the bank balance, \$250,000 was secured by federal depository insurance. The New Jersey Governmental Unit Deposit Protection Act (GUDPA) covered the bank balance of \$27,380,978. \$3,570,978 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

Livingston Board of Education

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2022

3. Deposits and Investments (continued)

- 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, 2022:

- Solar Renewable Energy Credits in the amount of \$63,063 are valued using quoted market prices (Level 1 inputs).

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.

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, 2022, all of the District's investments were invested in SRECs.

Livingston Board of Education

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2022

4. Capital Assets

The following schedule is a summarization of the governmental activities changes in capital assets for the year ended June 30, 2022:

	<u>Beginning Balance - As Restated</u>	<u>Increases</u>	<u>Ending Balance</u>
Governmental activities:			
Capital assets, not being depreciated/amortized			
Land	\$ 3,253,263		\$ 3,253,263
Total capital assets, not being depreciated/amortized	3,253,263		3,253,263
Capital assets, being depreciated/amortized:			
Land Improvements	2,891,343	\$ 11,570	2,902,913
Building and building improvements	194,870,388	320,511	195,190,899
Machinery, equipment and vehicles	22,344,264	2,161,834	24,506,098
Right to use assets - building	1,183,909		1,183,909
Right to use assets - equipment	644,380		644,380
Total capital assets being depreciated/amortized	221,934,284	2,493,915	224,428,199
Less accumulated depreciation / amortization for:			
Land improvements	(2,421,760)	(52,055)	(2,473,815)
Buildings and building improvements	(59,869,884)	(4,917,618)	(64,787,502)
Machinery, equipment and vehicles	(15,446,503)	(1,666,735)	(17,113,238)
Right to use assets - buildings		(131,545)	(131,545)
Right to use assets - equipment		(179,827)	(179,827)
Total accumulated depreciation/amortization	<u>(77,738,147)</u>	<u>(6,947,780)</u>	<u>(84,685,927)</u>
Total capital assets, being depreciated/amortized, net	<u>144,196,137</u>	<u>(4,453,865)</u>	<u>139,742,272</u>
Governmental activities capital assets, net	<u>\$ 147,449,400</u>	<u>\$ (4,453,865)</u>	<u>\$ 142,995,535</u>

Livingston Board of Education

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2022

4. Capital Assets (continued)

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

Current:	
Instruction	\$ 4,127,333
Undistributed-current:	
Instruction	373,320
Attendance/social work	3,504
Health services	60,164
Support services	665,133
Improvement of instruction	169,024
Other support: instruction staff	43,961
School library	85,110
General administration	78,393
School administration	298,600
Required maintenance of plant services	92,645
Operation of plant	433,603
Student transportation	269,724
Central services	120,339
Admin info technology	126,927
Total depreciation expense – governmental activities	\$ 6,497,780

The following is a summary of business-type activity changes in capital assets for the year ended June 30, 2022:

	Beginning Balance	Increases	Ending Balance
Business-type activity:			
Capital assets, being depreciated:			
Equipment	\$ 339,923		\$ 339,923
Less accumulated depreciation for:			
Equipment	(232,431)	\$ (29,533)	(261,964)
Business-type activity capital assets, net	\$ 107,492	\$ (29,533)	\$ 77,959

Livingston Board of Education

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2022

5. Long-Term Liabilities

During the year ended June 30, 2022, the following changes occurred in long-term liabilities:

	Beginning Balance as Restated	Additions	Reductions	Ending Balance	Due within One Year
Governmental activities:					
Compensated absences payable	\$ 6,978,405	\$ 435,866	\$ 473,864	\$ 6,940,407	\$ 426,421
Premium on bonds	6,626,368		480,325	6,146,043	460,721
Premium on leases	87,106		26,802	60,304	26,802
Serial bonds payable	70,085,000		5,425,000	64,660,000	5,460,000
Financed purchases payable	4,724,255	1,438,306	1,743,009	4,419,552	2,003,643
Leases payable	1,828,289		294,814	1,533,475	294,814
Subtotal	90,329,423	1,874,173	8,149,000	83,759,783	8,672,401
Net pension liability	23,615,255		6,754,211	16,861,044	
Governmental activities long-term liabilities	<u>\$ 113,944,678</u>	<u>\$ 1,874,173</u>	<u>\$15,198,025</u>	<u>\$100,620,827</u>	<u>\$ 8,672,401</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 leases and financed purchases payable. 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	\$ 60,002	\$ 21,605	\$ 38,397	\$ 20,576
Business-type activities long-term liabilities	<u>\$ 60,002</u>	<u>\$ 21,605</u>	<u>\$ 38,397</u>	<u>\$ 20,576</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. The bonds are direct obligations of the District for which the full faith and credit of the District is pledged.

Livingston Board of Education

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2022

5. Long-Term Liabilities (continued)

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

	Principal	Interest	Total
Year ending June 30:			
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	4,410,000	1,833,925	6,423,925
2028-2032	20,690,000	6,471,825	27,161,825
2033-2037	18,475,000	2,364,188	21,793,938
	\$64,660,000	\$20,236,575	\$84,851,325

At June 30, 2022, there are bonds and notes authorized but not issued in the amount of \$6,410,849.

Bonds payable at June 30, 2022 are comprised of the following issues:

\$12,405,000, 2010 school refunding bonds with the final annual installment in the amount of \$475,000 due on July 15, 2022 at an interest rate of 4.0%.

\$8,500,000, 2013 school bonds due in annual installments ranging from \$650,000 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 of \$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%.

Livingston Board of Education

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2022

5. Long-Term Liabilities (continued)

Financed Purchases Payable

The District has remaining financed purchases payable totaling \$2,981,246 with interest rates ranging from 0.93% to 5.00%. The terms of the financed purchases are from three to five years. The following is a schedule of the future minimum lease payments under these financed purchases payable at June 30, 2022:

Year Ended June 30,	Principal	Interest	Total
2023	\$ 2,003,643	\$ 75,216	\$ 2,078,859
2024	1,197,724	35,163	1,232,887
2025	521,034	13,654	534,688
2026	403,853	6,778	410,631
2027	293,298	2,874	296,172
Total	<u>\$ 4,419,552</u>	<u>\$ 133,685</u>	<u>\$ 4,553,237</u>

Leases Payable

The District has remaining leases payable totaling \$1,533,474 with interest rates ranging from 0.0% to 2.02%. The terms of the leases are from four to twenty years, including all extensions. The following is a schedule of the future minimum lease payments at June 30, 2022:

Year Ended June 30,	Principal	Interest	Total
2023	\$ 294,814	\$ 23,705	\$ 318,519
2024	294,814	21,667	316,481
2025	236,234	18,610	254,844
2026	119,684	15,482	135,166
2027	120,905	13,161	134,066
2028-2031	467,022	24,637	491,659
Total	<u>\$ 1,533,473</u>	<u>\$ 117,262</u>	<u>\$ 1,650,735</u>

Livingston Board of Education

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2022

5. Long-Term Liabilities (continued)

Many of the assets acquired through the leases and financed purchases are below the capitalization threshold of the District. Assets capitalized through financed purchases payable and leases at June 30, 2022 are as follows:

Machinery, equipment and vehicles	\$ 17,096,106
Right to use assets – buildings	1,183,909
Right to use assets - equipment	644,380
Less accumulated depreciation/amortization	<u>(12,713,381)</u>
Total	<u>\$ 6,211,014</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, 2022:

Fiscal Year:	<u>Amount</u>
2023	\$ 20,576
2024	<u>17,821</u>
Total purchase agreement payable	<u>\$ 38,397</u>

Livingston Board of Education

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2022

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.

Livingston Board of Education

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2022

6. Pension Plans (continued)

Public Employees' 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 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.

For the years ended June 30, 2022, 2021, and 2020, employee contributions to DCRP were \$57,111, \$227,744 and \$222,094, respectively. Employer contributions for the years ended June 30, 2022, 2021, and 2020 were \$42,054, \$167,704 and \$163,543, respectively.

Livingston Board of Education

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2022

6. Pension Plans (continued)

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

Funding Policy

The contribution policy is set by New Jersey State Statutes and contributions are required by active members and contributing members. Plan member and employer contributions may be amended by State of New Jersey legislation. Under the provisions of Chapter 78, P.L. 2011, employee contribution rates for TPAF and PERS 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 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, 2022, the State of New Jersey contributed \$24,984,486 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 \$4,146,933 during the year ended June 30, 2022 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, 2022, 2021 and 2020 were \$1,666,842, \$1,584,185, and \$1,404,331, respectively, equal to the required contributions for each year.

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of PERS and additions to/deductions from PERS fiduciary net position have been

Livingston Board of Education

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2022

6. Pension Plans (continued)

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 Employees' Retirement System (PERS)

At June 30, 2022, the District reported a liability of \$16,861,044 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation July 1, 2020, which was rolled forward to June 30, 2021. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts, actuarially determined. At June 30, 2021, the District's proportion was 0.1423293405 percent, which was a decrease of 0.0024839172 percent from its proportion measured as of June 30, 2021.

For the year ended June 30, 2022, the District recognized full accrual pension benefit of (\$3,470,947) in the government-wide financial statements. At June 30, 2022, 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	\$ 87,812	\$ 6,002,641
Difference between expected and actual experience	265,920	120,705
Changes in proportion	690,467	
Net difference between projected and actual earnings on pension plan investments		4,441,642
Changes in proportion and differences between District contributions and proportionate share of contributions		442,769
District contributions subsequent to the measurement date	1,746,840	
	\$ 2,791,039	\$ 11,007,757

Livingston Board of Education

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2022

6. Pension Plans (continued)

\$1,746,840 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:	
2023	\$ (3,727,075)
2024	(2,728,001)
2025	(1,973,696)
2026	(1,526,231)
2027	(8,555)
	\$ (9,963,558)

Actuarial Assumptions

The collective total pension liability for the June 30, 2021 measurement date was determined by an actuarial valuation as of July 1, 2020, which was rolled forward to June 30, 2021. 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, 2020 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.

Livingston Board of Education

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2022

6. Pension Plans (continued)

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-2021.

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, 2021) 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, 2021 are summarized in the following table:

Livingston Board of Education

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2022

6. Pension Plans (continued)

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. equity	27.00%	8.09%
Non-U.S. developed markets equity	13.50%	8.71%
Emerging markets equity	5.50%	10.96%
Private equity	13.00%	11.30%
Real assets	3.00%	7.40%
Real estate	8.00%	9.15%
High yield	2.00%	3.75%
Private credit	8.00%	7.60%
Investment grade credit	8.00%	1.68%
Cash equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	0.95%
Risk mitigation strategies	3.00%	3.35%
	100.00%	

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2021. 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 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions 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, 2021 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:

Livingston Board of Education

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2022

6. Pension Plans (continued)

	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	\$ 22,961,323	\$ 16,861,044	\$ 11,684,093

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, 2021 are as follows:

Deferred outflows of resources	\$	1,164,738,169
Deferred inflows of resources	\$	8,339,123,762
Net pension liability	\$	11,972,782,878
 District's Proportion		 0.1423293405%

Collective pension benefit for the Local Group for the measurement period ended June 30, 2021 is \$1,599,674,464.

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, 2021, 2020, 2019, 2018, 2017, 2016, 2015 and 2014 is 5.13, 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

Livingston Board of Education

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2022

6. Pension Plans (continued)

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, 2021 was \$234,421,713. The District's proportionate share was \$0.

The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020, which was rolled forward to June 30, 2021. 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, 2021, the State's proportionate share of the TPAF net pension liability associated with the District was 0.4876147545 percent, which was a decrease of 0.0074144576 percent from its proportion measured as of June 30, 2020.

For the year ended June 30, 2022, the District recognized on-behalf pension expense and revenue in the government-wide financial statements of (\$9,991,710) for contributions incurred by the State.

Actuarial assumptions

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

Inflation rate:	
Price	2.75%
Wage	3.25%
Salary increases:	
Through 2026	1.55 – 4.45%
	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

Livingston Board of Education

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2022

6. Pension Plans (continued)

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-2021.

The actuarial assumptions used in the July 1, 2020 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, 2021) 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.

Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2021 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%	8.09%
Non-U.S. developed markets equity	13.50%	8.71%
Emerging markets equity	5.50%	10.96%
Private equity	13.00%	11.30%
Real assets	3.00%	9.15%
Real estate	8.00%	7.40%
High yield	2.00%	3.75%
Private credit	8.00%	7.60%
Investment grade credit	8.00%	1.68%
Cash equivalents	4.00%	0.50%
U.S. treasuries	5.00%	0.95%
Risk mitigation strategies	3.00%	3.35%
	<u>100.00%</u>	

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2021. The projection of cash flows used to determine the discount rate assumed that contributions from plan

Livingston Board of Education

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2022

6. Pension Plans (continued)

members will be made at the current member contribution rates and that contributions from employers will be made based on 100% 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 all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments 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, 2021, calculated using the discount rate as disclosed above as well as what the State's proportionate share of the net pension liability associated with the District would be if it were calculated using a discount rate that is 1- percentage-point lower (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%)
State's proportionate share of the net pension liability associated with the District	\$ 277,360,043	\$ 234,421,713	\$ 198,356,214

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, 2021 are as follows:

Deferred outflows of resources	\$ 6,356,228,800
Deferred inflows of resources	\$ 27,175,330,929
Net pension liability	\$ 48,075,188,642
District's Proportion	0.4876147545%

Livingston Board of Education

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2022

6. Pension Plans (continued)

Collective pension expense-Local Group for the plan for the measurement period ended June 30, 2021 is \$1,159,039,411.

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, 2021, 2020, 2019, 2018, 2017, 2016, 2015, and 2014 is 7.93, 7.99, 8.04, 8.29, 8.30, 8.30, 8.30, and 8.50 years, respectively.

7. Post-Retirement Benefits

State Health Benefit State Retired Employees Plan

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.

The State Health Benefit State Retired Employees Plan (State Retired OPEB Plan) is a single-employer defined benefit OPEB plan with a special funding situation. The State Retired OPEB Plan 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. The State Retired OPEB Plan covers the State, State colleges and universities, the Palisades Interstate Park Commission, and the New Jersey Building Authority (referred to collectively as “the employers”) for which the State is legally obligated to pay for benefits. The State Retired OPEB Plan is treated as a cost-sharing multiple employer plan with a special funding situation for allocating the total OPEB liability and related OPEB amounts since each employer mentioned above is required to issue stand-alone financial statements. The State Retired OPEB Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and the covered dependents of the employees. The State also offers dental care to retirees, however, since dental benefits are completely paid for by the retirees, there is no OPEB liability for these benefits.

In accordance with N.J.S.A. 52:14-17.32, the State is required to pay the premiums or periodic charges for health benefits of State employees who retire with 25 years or more of service credit in, or retires on a disability pension from, one or more of the following plans: the Judicial Retirement System (JRS), the State Police Retirement System (SPRS), the Teachers’ Pension and Annuity Fund (TPAF), the Public Employees’ Retirement System (PERS), the Police and Firemen’s Retirement System (PFRS), and the Alternate Benefit Program (ABP). In addition, N.J.S.A. 52:14-17.26 provides that for purposes of the State Retired OPEB Plan, an employee of Rutgers, the State University of New Jersey, and New Jersey Institute of Technology shall be deemed to be an

Livingston Board of Education

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2022

7. Post-Retirement Benefits (continued)

employee of the State. Further, P.L.1966, c.302, addresses the other State colleges and universities, whereas while these institutions were provided autonomy from the State, their employees retained any and all rights to health benefits within the State Retired OPEB Plan and are therefore classified as State employees.

The State Health Benefit Local Education Retired Employees Plan (Local Education Retired OPEB Plan) is a multiple-employer defined benefit OPEB plan with a special funding situation. The Local Education Retired OPEB Plan 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. The Local Education Retired OPEB Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and the covered dependents of local education employees. The State also offers dental care to retirees, however, since dental benefits are completely paid for by the retirees, there is no OPEB liability for these benefits.

The employer contributions for the participating local education employers are legally required to be funded by the State in accordance with N.J.S.A. 52:14-17.32f. According to this law, 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 on a disability pension from, one or more of the following plans: TPAF, PERS, PFRS, or ABP.

Pursuant to P.L.2011, c.78, future retirees eligible for postemployment 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 their health care coverage in retirement provided 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 benefit and level of coverage.

The State is legally required to pay for the OPEB benefit coverage for the participating local education employers. Therefore, these employers are considered to be in a special funding situation as defined by GASB Statement No. 75 and the State is treated as a nonemployer contributing entity. The State, as a nonemployer contributing entity, reported a Fiscal Year 2021 total OPEB liability of \$60,007,650,970 for this special funding situation.

The State's contributions to the SHBP Fund for TPAF retirees' post-retirement medical benefits on behalf of the District for the years ended June 30, 2022, 2021 and 2020 were \$4,730,312 \$4,526,542, and \$4,100,276, respectively, which equaled the required contributions for each year.

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. 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.

Livingston Board of Education

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2022

7. Post-Retirement Benefits (continued)

Additional information on Pensions and OPEB can be accessed at state.nj.us/treasury/pensions/financial-reports.shtml.

Total OPEB Liability

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, 2020	\$	251,465,438
Changes for the year		
Service Cost		12,523,876
Interest		5,839,240
Difference between expected and actual experience		(40,264,133)
Changes in assumptions or other inputs		(17,513)
Member contributions		149,281
Benefit payments		<u>4,599,686</u>
Net Changes		<u>(26,368,935)</u>
Ending Total OPEB Liability June 30, 2021	\$	<u>225,096,503</u>

Employees covered by benefit terms

The following employees were covered by the benefit terms:

<u>Local Education Group</u>	<u>June 30, 2021</u>
Active Plan Members	213,901
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	150,427
Inactive Plan Members Entitled to but Not Receiving Benefits	<u>-</u>
Total Plan Members	<u>364,328</u>

Livingston Board of Education

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2022

7. Post-Retirement Benefits (continued)

The State, a nonemployer contributing entity, is the only entity that has a legal obligation to make employer contributions to OPEB for qualified retired PERS and TPAF participants. The District's proportionate share percentage determined under paragraphs 193 and 203 through 205 of GASBS No. 75 is zero percent. Accordingly, the District did not recognize any portion of the collective 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 \$225,096,503. Additional information can be obtained from the State of New Jersey's annual comprehensive financial report.

Actuarial assumptions and other inputs

The total nonemployer OPEB liability in the June 30, 2021 was determined by an actuarial valuation as of June 30, 2020, which was rolled forward to June 30, 2021 and included in the June 30, 2021 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% based on years of service	2.00-6.00% based on years of service
Thereafter	1.55-4.45% based on years of service	3.00-7.00% 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. Disability mortality was based on the Pub-2010 "General" classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2020.

Livingston Board of Education

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2022

7. Post-Retirement Benefits (continued)

The actuarial assumptions used in the June 30, 2020 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, 2021 was 2.16%. 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.

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 5.65% and decreases to a 4.50% long-term trend rate after seven years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rate for fiscal year 2022 through 2023 are reflected. For PPO the trend is initially 5.74% in fiscal year 2024, increasing to 12.93% in fiscal year 2025 and decreases to 4.50% after 11 years. For HMO the trend is initially 6.01% in fiscal year 2024, increasing to 15.23% in fiscal year 2025 and decreases to 4.50% after 11 years. For prescription drug benefits, the initial trend rate is 6.75% and decreases to a 4.50% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

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, 2021 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 (1.16 %) or 1-percentage-point higher (3.16%) than the current discount rate:

	At 1% decrease (1.16%)	At current discount rate (2.16%)	At 1% increase (3.16%)
Total OPEB Liability (Allocable to the District and the responsibility of the State)	\$ 305,565,564	\$ 255,096,503	\$ 215,355,147

Livingston Board of Education

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2022

7. Post-Retirement Benefits (continued)

The following presents the non-employer OPEB liability associated with the District as of June 30, 2021 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)	\$ 206,501,448	\$ 255,096,503	\$ 320,356,071

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

For the year ended June 30, 2022, the District recognized on-behalf OPEB expense and revenue in the government-wide financial statements of \$14,038,624 for OPEB expenses incurred by the State.

Collective balances of the Education Group at June 30, 2021 are as follows:

Deferred outflows of resources	\$ 21,546,947,255
Deferred inflows of resources	\$ 29,769,148,209
Collective OPEB expense	\$ 3,527,672,060
District's Proportion	0.38%

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, 2022 is as follows:

Fund	Interfund Receivable	Interfund Payable
General Fund	\$ 1,123,212	
Special Revenue Fund		\$ 1,116,591
Capital Projects Fund		6,621
	\$ 1,123,212	\$ 1,123,212

Livingston Board of Education

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2022

8. Interfund Receivables and Payables (continued)

The net interfund of \$1,116,591 between the general fund and special revenue fund represents expenditures related to the special revenue fund that were made out of the general fund cash.

The interfund of \$6,621 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, 2022. 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.

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, 2022 may be impaired. The District has received funding under the Elementary and Secondary School Emergency Relief (ESSER) Fund and American Recovery Program (ARP). To the extent that the District has not complied with the rules and regulations governing the ESSER and ARP 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 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.

Livingston Board of Education

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2022

11. Risk Management

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

Property and Liability Insurance

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

Statistical Section of this 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	Ending Balance
2021-22	\$ 505	\$ 543,357
2020-21	568	542,852
2019-20		542,284

Livingston Board of Education

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2022

12. Transfers – Reconciliation

The following represents transfers between funds during the year ended June 30, 2022:

	Transfers In	Transfers Out
General Fund	\$ 5,883	\$ 65,314
Capital Projects Fund		5,883
Debt Service Fund	65,314	
	\$ 71,197	\$ 71,197

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 the general fund that were transferred to the debt service fund where the revenue was budgeted.

13. Capital Reserve Account

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

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

The activity of the capital reserve account for the July 1, **2021** to June 30, 2022 fiscal year is as follows:

Beginning balance, July 1, 2021	\$ 6,426,849
Interest earnings	21,624
Deposit per June 2022 resolution	2,500,000
Ending balance, June 30, 2022	\$ 8,948,473

Livingston Board of Education

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2022

13. Capital Reserve Account (continued)

The June 30, 2022 capital reserve balance does not exceed local support costs identified in the District's Long Range Facility Plan at June 30, 2022. The District has budgeted \$3,600,000 capital reserve funds for use in the District's 2022-23 fiscal year.

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, 2022.

15. Commitments

The District has \$526,319 in commitments to vendors that are reported in the balance sheet of the general fund as assigned to other purposes.

During the 2022 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 2022, 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.

Livingston Board of Education

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2022

16. GASB 77 Tax Abatements (continued)

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

For the 2022 year, the Township recognized revenue of \$0 from the annual service charge in lieu of payment of taxes, while the taxes that would have been paid for this property were \$737,370, resulting in a reduction of taxes collected by the Township of \$737,370. A portion of this would have been allocated to the District.

17. Change in Accounting Principle / Restatement

Effective in the fiscal year ended June 30, 2022, the District implemented Governmental Accounting Standards Board Statement No. 87, *Leases*. The objective of this Statement is to establish standards of accounting and financial reporting for leases by lessees and lessors. The implementation of the Statement required a restatement of prior year assets and liabilities in the government-wide financial statements. The restatement had no effect on net position.

	Balance June 30, 2021	Restatement Amount	June 30, 2021 as Restated
Statement of Net Position - Governmental Activities:			
Assets:			
Capital Assets being depreciated/amortized, net	\$ 142,367,848	\$ 1,828,289	\$ 144,196,137
Liabilities:			
Current portion of long-term obligations	\$ 8,070,404	\$ 294,814	\$ 8,365,218
Noncurrent portion of long-term obligations	80,430,730	1,533,474	81,964,204
	\$ 88,501,134	\$ 1,828,288	\$ 90,329,422

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's Retirement System
 Required Supplementary Information
 Last Ten Fiscal Years

	Year ended June 30,									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
District's proportion of the net pension liability (asset) - Local Group	0.1423293405%	0.1448132577%	0.1443731008%	0.1387261505%	0.1388277676%	0.1342613886%	0.1263054356%	0.1261425514%	0.1325548871%	Not available
District's proportionate share of the net pension liability (asset)	\$ 16,861,044	\$ 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
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
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	168.74%	230.30%	256.93%	275.14%	338.15%	425.06%	328.24%	276.07%	292.82%	Not available
Plan fiduciary net position as a percentage of the total pension liability - Local Group	70.33%	58.32%	56.27%	53.60%	48.10%	40.14%	47.93%	52.08%	48.72%	Not available

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

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

	Year ended June 30,									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Contractually required contribution	\$ 1,666,842	\$ 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
Contributions in relation to the contractually required contribution	(1,666,842)	(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)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 14,502,189	\$ 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
Contributions as a percentage of covered payroll	11.49%	15.85%	13.70%	13.63%	12.96%	12.48%	12.01%	12.57%	12.16%	11.54%

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,									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
State's proportion of the net pension liability (asset) associated with the District - Local Group	0.4876147545%	0.4950292121%	0.4923582618%	0.4826921006%	0.4700542605%	0.4547057578%	0.4577869858%	0.4317288047%	0.4492756174%	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	\$ 234,421,713	\$ 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
Total proportionate share of the net pension liability (asset) associated with the District	<u>\$ 234,421,713</u>	<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>
Plan fiduciary net position as a percentage of the total pension liability	35.52%	24.60%	26.95%	26.49%	25.41%	27.96%	28.71%	33.64%	33.76%	Not available

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

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> 2022	<u>Year Ended June 30,</u> 2021	<u>Year Ended June 30,</u> 2020	<u>Year Ended June 30,</u> 2019	<u>Year Ended June 30,</u> 2018	<u>Year Ended June 30,</u> 2017
State's proportion of the net OPEB liability (asset) associated with the District -	0.37%	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	\$ 255,096,503	\$ 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>\$ 255,096,503</u>	<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%	0.00%
Total OPEB Liability	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017**</u>
Service cost	\$ 12,523,876	\$ 6,882,558	\$ 6,507,141	\$ 7,057,004	\$ 8,516,952	
Interest cost	5,839,240	5,630,788	6,737,011	7,135,055	6,149,498	
Differences between expected and actual experience	(40,264,133)	41,161,708	(24,699,104)	(14,853,146)	-	
Changes in assumptions	(17,513)	45,934,094	2,327,485	(19,494,428)	(25,317,771)	
Member contributions	149,281	132,691	142,044	156,996	165,818	
Gross benefit payments	(4,599,686)	(4,377,806)	(4,791,848)	(4,542,495)	(4,503,173)	
Net change in the total OPEB liability	<u>(26,368,935)</u>	<u>95,364,033</u>	<u>(13,777,271)</u>	<u>(24,541,014)</u>	<u>(14,988,676)</u>	
Total OPEB liability - beginning	<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>	
Total OPEB liability - ending	<u>\$ 225,096,503</u>	<u>\$ 251,465,438</u>	<u>\$ 156,101,405</u>	<u>\$ 169,878,676</u>	<u>\$ 194,419,690</u>	
Covered-employee payroll	<u>\$ 71,460,643</u>	<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	314.99%	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, 2022

PENSION - PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Benefit Changes

There were none.

Changes of Assumptions

There were none.

PENSION - TEACHERS PENSION AND ANNUITY FUND

Benefit Changes

There were none.

Changes of Assumptions

The discount rate changed from 5.40% as of June 30, 2020 to 7.00% as of June 30, 2021.

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

Benefit Changes

There were none.

Changes of Assumptions

The discount rate changed from 2.21% as of June 30, 2020 to 2.16% as of June 30, 2021.

Required Supplementary Information
Part III

Budgetary Comparison Schedules

Livingston Board of Education
General Fund

Budgetary Comparison Schedule
(Budgetary Basis)

Year ended June 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenues					
Local sources:					
Local tax levy	\$ 111,115,953		\$ 111,115,953	\$ 111,115,953	
Tuition	12,500		12,500	170,376	\$ 157,876
Tuition from other LEA's	120,000		120,000	197,498	77,498
Transportation fees from individuals				258,861	258,861
Interest on investments	50,000		50,000	27,698	(22,302)
Rental income	260,000		260,000	347,798	87,798
Miscellaneous	255,000		255,000	296,498	41,498
Total - local sources	111,813,453		111,813,453	112,414,682	601,229
State sources:					
Extraordinary aid	100,000		100,000	1,957,880	1,857,880
TPAF - post retirement medical (on behalf - non-budgeted)				4,730,312	4,730,312
Teachers' pension and annuity fund (on behalf-non-budgeted)				20,246,121	20,246,121
Reimbursed TPAF social security (non-budgeted)				4,146,933	4,146,933
TPAF - long-term disability insurance (non-budgeted)				8,053	8,053
Additional nonpublic transportation aid				60,354	60,354
Transportation aid	1,303,530		1,303,530	1,303,530	
Security aid	434,880		434,880	434,880	
Categorical Special Education aid	4,312,253		4,312,253	4,312,253	
Security Grant - Alyssa's Law				341,291	341,291
Total - state sources	6,150,663		6,150,663	37,541,607	31,390,944
Federal Sources:					
Medical Assistance	48,021		48,021	19,091	(28,930)
Total - federal sources	48,021		48,021	19,091	(28,930)
Total revenues	118,012,137		118,012,137	149,975,380	31,963,243
Expenditures					
Current expenditures:					
Instruction - regular programs:					
Salaries of teachers:					
Preschool	47,645	\$ 12,251	59,896	59,895	1
Kindergarten	1,747,923	(114,598)	1,633,325	1,633,324	1
Grades 1-5	11,383,427	345,210	11,728,637	11,728,636	1
Grades 6-8	9,417,965	(41,938)	9,376,027	9,376,025	2
Grades 9-12	14,165,114	148,873	14,313,987	14,290,220	23,767
Home instruction:					
Salaries of teachers	150,000	(73,854)	76,146	76,145	1
Purchased professional-educational services	60,000	(5,000)	55,000	54,937	63
Undistributed instruction:					
Other salaries for instruction	439,748	213,585	653,333	653,332	1
Purchased professional-educational services	87,500		87,500	73,776	13,724
Purchased technical services	1,500	(1,068)	432	432	
Other purchased services	29,558	(889)	28,669	20,168	8,501
General supplies	1,849,575	1,927	1,851,502	1,641,151	210,351
Textbooks	285,296	(691)	284,605	248,920	35,685
Other objects	16,635	1,683	18,318	10,618	7,700
Total instruction - regular programs	39,681,886	485,491	40,167,377	39,867,579	299,798

Livingston Board of Education
General Fund

Budgetary Comparison Schedule
(Budgetary Basis)

Year ended June 30, 2022

	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	\$ 654,121	\$ (29,802)	\$ 624,319	\$ 624,318	\$ 1
Other salaries for instruction	3,524,176	151,980	3,676,156	3,676,156	
General supplies	5,000		5,000	4,945	55
Total learning and/or language disabilities	4,183,297	122,178	4,305,475	4,305,419	56
Multiple Disabilities:					
Salaries of Teachers	423,276	(142,060)	281,216	281,215	1
Other salaries for instruction	1,385,166	(27,058)	1,358,108	1,358,107	1
General supplies	19,000		19,000	19,000	
Total multiple disabilities	1,827,442	(169,118)	1,658,324	1,658,322	2
Resource room/center:					
Salaries of teachers	5,433,176	486,803	5,919,979	5,919,978	1
General supplies	25,000	(1,000)	24,000	23,870	130
Total resource room/center	5,458,176	485,803	5,943,979	5,943,848	131
Preschool disabilities - part time:					
Salaries of teachers	218,943	66,662	285,605	285,605	
Other salaries for instruction	192,893	(115,000)	77,893	77,408	485
Purchased prof-ed. services		15,000	15,000	15,000	
General supplies	27,000	47,800	74,800	73,639	1,161
Total preschool disabilities - part time	438,836	14,462	453,298	451,652	1,646
Autism					
Other salaries for instruction		152	152	152	
Total Autism		152	152	152	
Preschool disabilities - full time:					
Salaries of teachers	65,250	(37,000)	28,250	27,371	879
Total preschool disabilities-full time	65,250	(37,000)	28,250	27,371	879
Total special education	11,973,001	416,477	12,389,478	12,386,764	2,714
Bilingual education:					
Salaries of teachers	754,581	(32,168)	722,413	686,717	35,696
Total bilingual education	754,581	(32,168)	722,413	686,717	35,696
Basic skills/remedial instruction:					
Salaries of teachers	1,312,665	(112,000)	1,200,665	1,200,413	252
General supplies	2,000		2,000		2,000
Total basic skills/remedial instruction	1,314,665	(112,000)	1,202,665	1,200,413	2,252
Vocational programs - local instruction:					
Salaries of teachers	42,896		42,896	42,896	
Other purchased services	4,000		4,000		4,000
General supplies	8,000	(5,000)	3,000	2,978	22
Other objects	500	(500)			
Total vocational programs - local	55,396	(5,500)	49,896	45,874	4,022

Livingston Board of Education
General Fund

Budgetary Comparison Schedule
(Budgetary Basis)

Year ended June 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Expenditures (continued)					
Current expenditures (continued):					
School - sponsored cocurricular activities:					
Salaries	\$ 523,893	\$(100,000)	\$ 423,893	\$ 423,267	\$ 626
Purchased services	16,565		16,565	835	15,730
Supplies and materials	32,200		32,200	22,470	9,730
Other objects	17,402		17,402	17,272	130
Total school - sponsored cocurricular activities	590,060	(100,000)	490,060	463,844	26,216
School - sponsored athletics - instruction:					
Salaries	1,003,990	4,628	1,008,618	1,008,617	1
Purchased services	143,155	5,314	148,469	147,528	941
Supplies and materials	96,683	22,783	119,466	100,100	19,366
Total school - sponsored athletics - instruction	1,243,828	32,725	1,276,553	1,256,245	20,308
Other instructional programs:					
Purchased services	45,000		45,000	44,937	63
Total other instructional programs	45,000		45,000	44,937	63
Other supplemental/at-risk programs-instruction:					
Salaries of reading specialists	1,003,252	(62,000)	941,252	941,158	94
Total other supplemental/at-risk programs-instruction	1,003,252	(62,000)	941,252	941,158	94
Total instruction	56,661,669	623,025	57,284,694	56,893,531	391,163
Undistributed expenditures:					
Instruction:					
Tuition to other LEAs within the state-special	317,618	55,256	372,874	372,874	
Tuition to private school for the disabled - within state	4,028,995	498,066	4,527,061	4,504,343	22,718
Tuition to priv sch for the disabled & oth LEAs-Spl, O/S S	662,324		662,324	661,199	1,125
Total undistributed instruction	5,008,937	553,322	5,562,259	5,538,416	23,843
Attendance and social work services:					
Salaries	128,554	(76,576)	51,978	51,978	
Total attendance and social work services	128,554	(76,576)	51,978	51,978	
Health services:					
Salaries	923,010	(50,844)	872,166	872,165	1
Supplies and materials	39,359	12,000	51,359	20,401	30,958
Total health services	962,369	(38,844)	923,525	892,566	30,959

Livingston Board of Education
General Fund

Budgetary Comparison Schedule
(Budgetary Basis)

Year ended June 30, 2022

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Expenditures (continued)					
Current expenditures (continued):					
Undistributed expenditures (continued):					
Speech, OT, PT & related services:					
Salaries	\$1,086,853	\$(30,830)	\$1,056,023	\$1,056,022	\$ 1
Purchased professional - educational services	370,457	18,348	388,805	386,414	2,391
Supplies and materials	11,800		11,800	8,451	3,349
Total speech, OT, PT & related services	1,469,110	(12,482)	1,456,628	1,450,887	5,741
Other support services - students - extra services:					
Purchased professional - educational services	967,881	(210,000)	757,881	705,014	52,867
Total other support services - students - extra services	967,881	(210,000)	757,881	705,014	52,867
Guidance:					
Salaries of other professional staff	2,187,398	(93,741)	2,093,657	2,093,656	1
Salaries of secretarial and clerical assistants	248,352	(29,533)	218,819	218,818	1
Other purchased professional - technical services	15,673		15,673	14,203	1,470
Other purchased professional and tech services					
Other purchased services	700		700		700
Supplies and materials	26,525	25,500	52,025	45,024	7,001
Total guidance	2,478,648	(97,774)	2,380,874	2,371,701	9,173
Child study teams:					
Salaries of other professional staff	3,457,788	152,579	3,610,367	3,610,366	1
Salaries of secretarial and clerical assistants	271,022	22,930	293,952	293,114	838
Purchased professional - educational services	117,319	(75,000)	42,319	42,319	
Other purchased prof. and tech. services	32,303	1,350	33,653	31,943	1,710
Other purchased serv.	8,000		8,000	1,262	6,738
Supplies and materials	20,000		20,000	17,613	2,387
Other objects	8,000	50	8,050	8,050	
Total child study teams	3,914,432	101,909	4,016,341	4,004,667	11,674
Improvement of instructional services:					
Salaries of supervisors of instruction	1,959,868	(12,239)	1,947,629	1,947,629	
Salaries of other professional staff	220,914	3,347	224,261	224,260	1
Salaries of secretaries and clerical assistants	222,183	49,805	271,988	271,988	
Salaries of facilitators, math & literacy coaches					
Purchased professional - educational services	52,500	(4,500)	48,000	46,537	1,463
Other purchased services					
Supplies and materials	17,600		17,600	13,255	4,345
Other objects	2,000	2,425	4,425	3,905	520
Total improvement of instructional services	2,475,065	38,838	2,513,903	2,507,574	6,329

Livingston Board of Education
General Fund

Budgetary Comparison Schedule
(Budgetary Basis)

Year ended June 30, 2022

	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	\$ 1,131,334	\$ (23,000)	\$ 1,108,334	\$ 1,108,101	\$ 233
Other purchased services	4,700		4,700	1,361	3,339
Supplies and materials	166,640	(6,322)	160,318	153,200	7,118
Total educational media services/school library	1,302,674	(29,322)	1,273,352	1,262,662	10,690
Instructional staff training services:					
Salaries of supervisors of instruction	489,963	65,769	555,732	555,732	
Purchased professional - educational	50,000	(1,070)	48,930	48,930	
Other purchased services	67,144	(2,000)	65,144	32,760	32,384
Supplies and materials	20,000	(3,930)	16,070	13,626	2,444
Other objects	7,430	(2,425)	5,005	1,145	3,860
Total instructional staff training services	634,537	56,344	690,881	652,193	38,688
Support services-general administration:					
Salaries	414,818	12,019	426,837	426,837	
Legal services	200,000		200,000	184,061	15,939
Audit services	62,000	(1,900)	60,100	60,100	
Other purchased prof. services	10,000	7,400	17,400	16,500	900
Purchased technical services	10,000	500	10,500	10,451	49
Communications/telephone	225,000	(58,110)	166,890	127,284	39,606
BOE other purchased services	1,000		1,000	875	125
Miscellaneous purchased services	242,100	14,350	256,450	245,033	11,417
General supplies	22,554	222	22,776	20,243	2,533
Miscellaneous expenditures	72,000	1,000	73,000	71,628	1,372
Total support services-general administration	1,259,472	(24,519)	1,234,953	1,163,012	71,941
Support services-school administration:					
Salaries of principals/ assistant principals	1,959,431	32,168	1,991,599	1,991,598	1
Salaries of other professional staff	563,529	(100,671)	462,858	462,853	5
Salaries of secretarial and clerical	1,363,233	148,560	1,511,793	1,511,778	15
Purchased professional and technical	5,250	151	5,401	4,854	547
Other purchased services	106,000	(6,264)	99,736	72,390	27,346
Supplies and materials	407,851	6,361	414,212	386,428	27,784
Total support services-school administration	4,405,294	80,305	4,485,599	4,429,901	55,698
Required maintenance for school facilities:					
Salaries	965,617	(16,532)	949,085	906,596	42,489
Cleaning, repair and maintenance services	256,000	9,720	265,720	223,849	41,871
General supplies	140,000	1,573	141,573	133,452	8,121
Other objects	500,000	(360,555)	139,445	110,544	28,901
Total required maintenance for school	1,861,617	(365,794)	1,495,823	1,374,441	121,382

Livingston Board of Education
General Fund

Budgetary Comparison Schedule
(Budgetary Basis)

Year ended June 30, 2022

	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	\$2,834,356	\$172,045	\$3,006,401	\$2,808,247	\$ 198,154
Purchased professional and technical services	40,000	15,530	55,530	26,847	28,683
Cleaning, repair and maintenance services	105,000		105,000	101,801	3,199
Rental of land and bldg. other than lease purch.	144,819		144,819	144,818	1
Other purchased property services	70,000	6,000	76,000	76,000	
Insurance	605,000	46,994	651,994	651,013	981
General supplies	700,000	26,220	726,220	718,844	7,376
Energy (Natural Gas and Electricity)	1,525,000	120,287	1,645,287	1,539,422	105,865
Total custodial services	6,024,175	387,076	6,411,251	6,066,992	344,259
Operation and maintenance of plant services-					
care and upkeep of grounds:					
Salaries	66,759		66,759	66,759	
Total care and upkeep of grounds	66,759		66,759	66,759	
Security:					
Salaries	330,272		330,272	298,999	31,273
Total security	330,272		330,272	298,999	31,273
Total operation and maintenance of plant services	8,282,823	21,282	8,304,105	7,807,191	496,914
Student transportation services:					
Salaries for pupil transportation:					
Salaries of non-instructional aides	187,660	(73,092)	114,568	114,568	
Between home and school - regular	1,116,363	78,719	1,195,082	1,195,082	
Other than bet. home & sch - regular	300,000	(53,196)	246,804	246,804	
Contracted services:					
Other than bet. home & sch - vendors	171,683	(67,991)	103,692	103,692	
Special ed stds - vendors	1,300,000	648,385	1,948,385	1,948,385	
Aid in lieu of payments - nonpublic	150,000	26,123	176,123	176,123	
General supplies	300,000	(85,932)	214,068	214,068	
Other objects	7,000	(4,217)	2,783	2,783	
Total student transportation services	3,532,706	468,799	4,001,505	4,001,505	
Undistributed expenditures - central services:					
Salaries	1,191,890	161,675	1,353,565	1,353,565	
Purchased professional services	164,000	16,534	180,534	173,061	7,473
Misc purch serv	27,000		27,000	16,771	10,229
Supplies and materials	67,500	55,693	123,193	121,008	2,185
Interest on lease purchase agreements	114,891		114,891	114,891	
Miscellaneous expenditures	6,000		6,000	5,999	1
Total central services	1,571,281	233,902	1,805,183	1,785,295	19,888
Admin. info. tech.:					
Salaries	1,060,086	7,284	1,067,370	1,067,369	1
Purchased professional services	50,200	(1)	50,199	46,905	3,294
Other purchased services	748,003	(44,333)	703,670	699,295	4,375
Supplies and materials	46,900	32,864	79,764	69,464	10,300
Total admin. info. tech.	1,905,189	(4,186)	1,901,003	1,883,033	17,970

Livingston Board of Education
General Fund

Budgetary Comparison Schedule
(Budgetary Basis)
Year ended June 30, 2022

	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	\$ 61,372	\$ 1,661,372	\$ 1,661,372	
Other retirement contributions - PERS	1,700,000	(30,000)	1,670,000	1,666,842	\$ 3,158
Other retirement contributions - Regular	150,000	(25,000)	125,000	42,054	82,946
Worker's compensation	500,000	(46,994)	453,006	423,595	29,411
Health benefits	15,887,701	(1,323,301)	14,564,400	13,606,441	957,959
Tuition reimbursement	154,690		154,690	126,402	28,288
Total unallocated benefits	19,992,391	(1,363,923)	18,628,468	17,526,706	1,101,762
TPAF - post retirement medical (on behalf - non-budgeted)				4,730,312	(4,730,312)
Teacher's Pension and Annuity Fund (on behalf - non-budgeted)				20,246,121	(20,246,121)
TPAF - long-term disability insurance (non-budgeted)				8,053	(8,053)
Reimbursed TPAF social security (non-budgeted)				4,146,933	(4,146,933)
Total on-behalf payments				29,131,419	(29,131,419)
Total undistributed expenditures	60,291,363	(302,925)	59,988,438	87,165,720	(27,177,282)
Total expenditures - current	116,953,032	320,100	117,273,132	144,059,251	(26,786,119)
Capital outlay:					
Equipment:					
Regular programs - instruction:					
Grades 6-8	11,674	(1)	11,673	5,858	5,815
Grades 9-12		12,129	12,129	12,129	
Undistributed expenditures:					
Instructional services		31,061	31,061	13,578	17,483
Noninstructional services	15,500		15,500	15,500	
Total equipment	27,174	43,189	70,363	47,065	23,298
Facilities acquisition and construction services:					
Financed purchase agreements-principal	1,743,009		1,743,009	1,743,009	
Construction services	926,750	(2,954)	923,796	438,463	485,333
Other objects-assessment of debt service	68,734		68,734	68,734	
Total facilities acquisition and construction services	2,738,493	(2,954)	2,735,539	2,250,206	485,333
Financed purchase agreement (non-budgeted)				1,438,307	(1,438,307)
Total expenditures - capital outlay	2,765,667	40,235	2,805,902	3,735,578	(929,676)
Post-Secondary Programs:					
Summer School:					
Salaries	100,000	(9,946)	90,054	80,054	10,000
Total expenditures - Post-Secondary Programs	100,000	(9,946)	90,054	80,054	10,000
Transfer of funds to charter schools	119,026		119,026	112,768	6,258
Total expenditures	119,937,725	350,389	120,288,114	147,987,651	(27,699,537)
(Deficiency)/excess of revenues (under)/over	(1,925,588)	(350,389)	(2,275,977)	1,987,729	4,263,706
Other financing sources/(uses):					
Assets acquired under financed purchases (non-budgeted)					
Transfers in				1,438,307	1,438,307
Total other financing sources/(uses)				5,883	5,883
Total other financing sources/(uses)				1,444,190	1,444,190
Change in fund balances	(1,925,588)	(350,389)	(2,275,977)	3,431,919	5,707,896
Fund balances, July 1	19,034,644		19,034,644	19,034,644	
Fund balances, June 30	\$ 17,109,056	\$ (350,389)	\$ 16,758,667	\$ 22,466,563	\$ 5,707,896

Livingston Board of Education
General Fund

Budgetary Comparison Schedule
(Budgetary Basis)

Year ended June 30, 2022

	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	\$ (1,925,588)		\$ (1,925,588)	\$ 3,782,308	\$ 5,707,896
Adjustment for prior year encumbrances		\$(350,389)	(350,389)	(350,389)	
Total	<u>\$ (1,925,588)</u>	<u>\$(350,389)</u>	<u>\$ (2,275,977)</u>	<u>\$ 3,431,919</u>	<u>\$ 5,707,896</u>
Recapitulation of fund balance:					
Restricted Fund Balance:					
Excess surplus restricted for subsequent years expenditures				\$ 1,933,885	
Excess surplus - current year				2,899,578	
Capital reserve				8,948,473	
Emergency reserve				1,000,000	
Unemployment compensation				543,357	
Assigned to:					
Year end encumbrances				526,319	
Unassigned fund balance				<u>6,614,951</u>	
				<u>22,466,563</u>	
Reconciliation to Governmental Funds Statements (GAAP):					
Last state aid payments not recognized on GAAP basis				(560,805)	
Solar Renewable Energy Credits (SREC) income				63,063	
Fund balance per Governmental Funds (GAAP)				<u>\$21,968,821</u>	

Livingston Board of Education
Special Revenue Fund

Budgetary Comparison Schedule
(Budgetary Basis)

Year ended June 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenues:					
State sources	\$ 1,237,151	\$ 2,584	\$ 1,239,735	\$ 1,156,258	\$ (83,477)
Federal sources	5,105,107		5,105,107	4,213,536	(891,571)
Other sources	33,404	729,020	762,424	791,120	28,696
Total revenues	6,375,662	731,604	7,107,266	6,160,914	(946,352)
Expenditures:					
Current expenditures:					
Instruction:					
Salaries	1,851,812	181	1,851,993	1,323,555	528,438
Other purchased services	1,161,305		1,161,305	1,161,305	
Instructional supplies	1,128,263	1,104	1,129,367	968,893	160,474
Textbooks	46,513		46,513	46,432	81
Other objects	981,176	2,585	983,761	901,190	82,571
Total instruction	5,169,069	3,870	5,172,939	4,401,375	771,564
Support services:					
Benefits	153,077		153,077	153,077	
Purchased professional and educational / technical services	266,373	(1,286)	265,087	226,397	38,690
Other purchased services	214,779		214,779	213,493	1,286
General supplies	41,404		41,404	41,277	127
Other objects		18,894	18,894	18,894	
Student activities		710,126	710,126	710,126	
Total support services	675,633	727,734	1,403,367	1,363,264	40,103
Facilities acquisition and construction services:					
Instructional Equipment	384,837		384,837	202,562	182,275
Lease Purchase Payment Principal	146,123		146,123	146,123	-
Total facilities acquisition and construction services	530,960		530,960	348,685	182,275
Total expenditures	6,375,662	731,604	7,107,266	6,113,324	993,942
Net change in fund balance	-	-	-	47,590	47,590
Fund balance, July 1	-	-	-	521,029	-
Fund balance, June 30	\$ -	\$ -	\$ -	\$ 568,619	\$ -

Livingston Board of Education
Note to Required Supplementary Information

Budget to GAAP Reconciliation

Year ended June 30, 2022

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources/inflows of resources		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule (C-1, C-2)	\$ 149,975,380	\$ 6,160,914
Differences - Budgetary to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Current year		(320,398)
State aid payments recognized for GAAP statements in the current year, not previously recognized.	(560,805)	
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).	450,985	
Adjustment to record the value of Solar Renewable Energy credits (SREC) income on the modified accrual basis.	63,063	
	\$ 149,928,623	\$ 5,840,516
Uses/outflows of resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule (C-1, C-2)	\$ 147,987,651	\$ 6,113,324
Differences - Budgetary to GAAP:		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes:		
Current year		(320,398)
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (B-2)	\$ 147,987,651	\$ 5,792,926

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, 2022

	Nonpublic Aid									SDA Emergent Needs
	Text- books	Technology	Security	STEM	Nursing	Compensatory Education	ESL	Home Instruction	Handicapped	
Revenues:										
State sources	\$ 46,432	\$ 57,893	\$ 252,818	\$ 4,620	\$ 162,288	\$ 53,748	\$ 91	\$ 5,408	\$ 426,837	\$ 146,123
Federal sources										
Local sources										
Total revenues	<u>\$ 46,432</u>	<u>\$ 57,893</u>	<u>\$ 252,818</u>	<u>\$ 4,620</u>	<u>\$ 162,288</u>	<u>\$ 53,748</u>	<u>\$ 91</u>	<u>\$ 5,408</u>	<u>\$ 426,837</u>	<u>\$ 146,123</u>
Expenditures:										
Instruction:										
Salaries				\$ 4,620						
Other purchased services										
Instructional supplies		\$ 57,893								
Textbooks	\$ 46,432									
Other objects			\$ 252,818		\$ 162,288	\$ 53,748	\$ 91	\$ 5,408	\$ 426,837	
Total instruction	<u>46,432</u>	<u>57,893</u>	<u>252,818</u>	<u>4,620</u>	<u>162,288</u>	<u>53,748</u>	<u>91</u>	<u>5,408</u>	<u>426,837</u>	
Undistributed:										
Support services:										
Benefits										
Purchased professional and educational/ technical services										
Other purchased services										
General supplies										
Other Objects										
Student activities										
Total support services										
Facilities acquisition and construction services:										
Instructional Equipment										\$ 146,123
Lease Principal										146,123
Total facilities acquisition and construction services										<u>292,246</u>
Total expenditures	<u>46,432</u>	<u>57,893</u>	<u>252,818</u>	<u>4,620</u>	<u>162,288</u>	<u>53,748</u>	<u>91</u>	<u>5,408</u>	<u>426,837</u>	<u>146,123</u>
Net change in fund balance	-	-	-	-	-	-	-	-	-	-
Fund balance, July 1	-	-	-	-	-	-	-	-	-	-
Fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Livingston Board of Education
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures –
Budgetary Basis
Year ended June 30, 2022

	ESEA				IDEA				Coronavirus State and Local Fiscal Recovery Funds
	Title I A	Title II A	Title III	Title IV	Part B Basic	Preschool	ARP Basic	ARP Preschool	COVID- 19 ASCERS
Revenues:									
State sources									
Federal sources	\$ 143,470	\$ 78,364	\$ 22,364	\$ 10,000	\$ 1,390,589	\$ 58,009	\$ 302,116	\$ 27,295	\$ 992,544
Local sources									
Total revenues	\$ 143,470	\$ 78,364	\$ 22,364	\$ 10,000	\$ 1,390,589	\$ 58,009	\$ 302,116	\$ 27,295	\$ 992,544
Expenditures:									
Instruction:									
Salaries	\$ 97,844	\$ 54,044	\$ 1,182		\$ 785,080	\$ 37,814	\$ 285,968		
Other purchased services					378,340				\$ 782,965
Instructional supplies			11,268	\$ 500					
Textbooks									
Other objects									
Total instruction	97,844	54,044	12,450	500	1,163,420	37,814	285,968		782,965
Undistributed:									
Support services:									
Benefits	45,626	24,320			46,788	20,195	16,148		
Purchased professional and educational/ technical services				9,500	180,381			\$ 27,295	
Other purchased services			3,914						209,579
General supplies			6,000						
Other objects									
Student activities									
Total support services	45,626	24,320	9,914	9,500	227,169	20,195	16,148	27,295	209,579
Facilities acquisition and construction services:									
Equipment									
Lease Principal									
Total facilities acquisition and construction services									
Total expenditures	143,470	78,364	22,364	10,000	1,390,589	58,009	302,116	27,295	992,544
Net change in fund balance	-	-	-	-	-	-	-	-	-
Fund balance, July 1	-	-	-	-	-	-	-	-	-
Fund balance, June 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Livingston Board of Education
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures –
Budgetary Basis
Year ended June 30, 2022

Education Stabilization Fund									
	Elementary and Secondary School Emergency Relief Fund II	Elementary and Secondary School Emergency Relief Fund ARP	Elementary and Secondary School Emergency Relief - Accelerated Learning Coaching	Elementary and Secondary School Emergency Relief Fund - Learning Acceleration Grant	Elementary and Secondary School Emergency Relief - CRRSA Mental Health Grant	COVID-19 Testing	NJSBAIG Grant	Student Activity/ Athletics Fund	Totals
Revenues:									
State sources									\$ 1,156,258
Federal sources									4,213,536
Local sources									791,120
Total revenues	\$ 418,880	\$ 591,275	\$ 109,914	\$ 26,882	\$ 22,940	\$ 18,894	\$ 33,404	\$ 757,716	\$ 6,160,914
Expenditures:									
Instruction:									
Salaries		\$ 18,275			\$ 20,161				\$ 1,323,555
Other purchased services									1,161,305
Instructional supplies	\$ 418,880	451,000	\$ 29,352						968,893
Textbooks									46,432
Other objects									901,190
Total Instruction	418,880	469,275	29,352	20,161	18,567				4,401,375
Undistributed:									
Support services:									
Benefits									153,077
Purchased professional and educational/ technical services					6,721	2,500			226,397
Other purchased services									213,493
General supplies							\$ 33,404		41,277
Other objects						\$ 18,894			18,894
Student activities								\$ 710,126	710,126
Total support services	-	-	-	6,721	4,373	18,894	33,404	710,126	1,363,264
Facilities acquisition and construction services:									
Equipment		122,000	80,562						202,562
Lease Principal									146,123
Total facilities acquisition and construction services		122,000	80,562						348,685
Total expenditures	418,880	591,275	109,914	26,882	22,940	18,894	33,404	710,126	6,113,324
Net change in fund balance	-	-	-	-	-	-	-	47,590	47,590
Fund balance, July 1	-	-	-	-	-	-	-	521,029	521,029
Fund balance, June 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 568,619	\$ 568,619

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, 2022

	Current Year
Revenues and other financing sources	
Interest on investments	\$ 5,883
Total revenues	5,883
Other financing uses:	
Transfers out	(5,883)
Total other financing uses	(5,883)
Net change in fund balance	-
Fund Balance, July 1	8,790,041
Fund Balance, June 30	\$ 8,790,041
 <u>Reconciliation of budgetary basis to GAAP basis:</u>	
Fund balance, budgetary basis, June 30, 2022	\$ 8,790,041
Less: Revenue not recognized on a GAAP basis	(4,249,388)
Fund balance, GAAP basis, June 30, 2022	\$ 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, 2022

	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 finan	<u>123,805,152</u>	<u>-</u>	<u>123,805,152</u>	
Excess (deficiency) of revenues (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, 2022

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			<u>(6,410,849)</u>	
			<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, 2022

Issue	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance July 1, 2021	Retired	Balance June 30, 2022
			Date	Amount				
School Refunding Bonds	3/11/10	\$ 12,405,000	7/15/22	\$ 475,000	4.000	\$ 1,950,000	\$ 1,475,000	\$ 475,000
Renovations to Schools	10/1/13	8,500,000	8/1/22	650,000	2.000	5,000,000	350,000	4,650,000
			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	8/1/22	700,000	2.000	6,650,000	350,000	6,300,000
			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			
7/15/23	3,840,000	5.000						
7/15/24	3,790,000	5.000						
7/15/25	3,945,000	5.000						
7/15/26	3,060,000	5.000						
7/15/27	3,180,000	5.000						
7/15/28	3,250,000	5.000						
7/15/29	3,305,000	4.000						
7/15/30	3,315,000	4.000						
7/15/31	3,440,000	4.360						
7/15/32	3,515,000	4.500						
7/15/33	3,690,000	4.160						
7/15/34	3,800,000	5.000						
7/15/35	3,825,000	5.000						
7/15/36	1,835,000	5.000						
7/15/37	1,810,000	5.000						
						<u>56,485,000</u>	<u>3,250,000</u>	<u>53,235,000</u>
						<u>\$70,085,000</u>	<u>\$ 5,425,000</u>	<u>\$ 64,660,000</u>

Livingston Board of Education
Long-Term Debt

Schedule of Obligations Under Financed Purchases and Leases

Year ended June 30, 2022

Financed Purchases Payable

	Interest Rate	Amount of Original Issue	Balance July 1, 2021	Issued	Retired	Balance June 30, 2022
JP Morgan	0.98%	\$ 1,438,307		\$ 1,438,307		\$ 1,438,307
ECIA	4.00%-5.00%	2,441,000	\$ 1,726,000		\$ 727,000	999,000
TD Bank	0.93%	1,800,000	1,800,000		524,400	1,275,600
City National	1.61%	2,210,000	328,248		162,810	165,438
TD Bank	2.90%	1,500,000	870,007		328,799	541,208
Total Financed Purchases Payable			4,724,255	1,438,307	1,743,009	4,419,553

Leases Payable

	Interest Rate	Amount of Original Issue	Balance July 1, 2021 as Restated	Issued	Retired	Balance June 30, 2022
Township of Livingston	2.02%	\$ 1,705,811	\$ 1,183,909		\$ 119,074	\$ 1,064,835
Canon Business Solutions	0.00%	702,960	644,380		175,740	468,640
Total Leases Payable			1,828,289		294,814	1,533,475
Total Financed Purchases and Leases Payable			\$ 6,552,544	\$ 1,438,307	\$ 2,037,823	\$ 5,953,028

Livingston Board of Education
Debt Service Fund

Budgetary Comparison Schedule

Year ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance Final to
Revenues:				
Local sources:				
Miscellaneous-sale of SREC's			\$ 77,444	\$ 77,444
Local tax levy	\$ 7,653,208	\$ 7,653,208	7,653,208	
State sources:				
Debt service aid type II	538,324	538,324	538,324	
Total revenues	<u>8,191,532</u>	<u>8,191,532</u>	<u>8,268,976</u>	<u>77,444</u>
Expenditures:				
Interest on bonds	2,963,300	2,963,300	2,963,300	
Principal on bonds	5,425,000	5,425,000	5,425,000	
Total expenditures	<u>8,388,300</u>	<u>8,388,300</u>	<u>8,388,300</u>	
(Deficiency)/excess of revenues (under) over expenditures	<u>(196,768)</u>	<u>(196,768)</u>	<u>(119,324)</u>	<u>77,444</u>
Other financing sources:				
Transfers in			65,314	65,314
Total other financing sources			<u>65,314</u>	<u>65,314</u>
Net change in fund balances	(196,768)	(196,768)	(54,010)	142,758
Fund balance, July 1	362,541	362,541	362,541	
Fund balance, June 30	<u>\$ 165,773</u>	<u>\$ 165,773</u>	<u>\$ 308,531</u>	<u>\$ 142,758</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 ,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Governmental activities at Government-wide level										
Net investment in capital assets	\$ 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	\$ 68,347,168
Restricted	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	20,434,565
Unrestricted (deficit)	(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)	(28,168,982)
Total governmental activities net position	\$ 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	\$ 60,612,751
Business-type activities at Government-wide level										
Net investment in capital assets					\$ 64,260	\$ 71,264	\$ 63,335	\$ 55,419	\$ 47,490	\$ 39,562
Unrestricted	\$ 123,159	\$ 156,564	\$ 163,609	\$ 124,697	25,952	63,014	138,144	81,282	37,282	52,831
Total business-type activities net position	\$ 123,159	\$ 156,564	\$ 163,609	\$ 124,697	\$ 90,212	\$ 134,278	\$ 201,479	\$ 136,701	\$ 84,772	\$ 92,393
Government-wide level										
Net investment in capital assets	\$ 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	\$ 68,386,730
Restricted	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	20,434,565
Unrestricted (deficit)	(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)	(28,116,151)
Total government-wide net position	\$ 55,418,759	\$ 57,524,690	\$ 34,553,930	\$ 36,016,598	\$ 35,851,014	\$ 37,199,971	\$ 39,639,461	\$ 44,416,461	\$ 51,865,506	\$ 60,705,144

Source: ACFR Schedule A-1 and District records.

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									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Expenses										
Governmental activities										
Instruction	\$ 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	\$ 97,194,603
Support Services:										
Attendance and social work	87,045	83,146	68,300	81,890	111,626	175,412	114,992	103,821	73,895	80,265
Health services	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	1,368,581
Other support services	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	14,000,055
Improvement of instruction	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	3,841,845
Other support instructional staff	602,057	578,017	616,615	721,986	631,642	782,759	742,174	908,879	1,001,601	961,129
School library	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	1,876,118
General administration	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	1,444,922
School administration	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	6,619,610
Required maintenance of plant	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	1,814,581
Operation of plant	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	7,762,382
Student transportation	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	5,013,351
Central services	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	2,551,018
Administrative information technology	1,334,838	1,566,865	1,546,072	1,712,196	1,881,804	2,100,888	2,268,568	2,278,389	2,843,772	2,518,884
Charter Schools				35,575	30,910	35,671	69,317	43,071	138,254	112,768
Post-Secondary Programs										80,054
Interest on long-term debt	3,759,553	3,498,671	3,784,711	3,540,119	4,439,833	3,387,409	3,311,348	3,156,892	2,728,110	2,550,050
Total governmental activities expenses	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	149,790,216
Business-type activities										
Food service	942,943	935,828	1,064,344	1,326,939	1,731,199	2,139,565	2,075,522	2,155,042	272,234	1,496,311
Total business-type activities	942,943	935,828	1,064,344	1,326,939	1,731,199	2,139,565	2,075,522	2,155,042	272,234	1,496,311
Total district expenses	\$ 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	\$ 151,286,527
Program Revenues										
Governmental activities:										
Charges for services:										
Instruction	\$ 53,985	\$ 10,083	\$ 46,993	\$ 112,693	\$ 170,384	\$ 241,640	\$ 354,819	\$ 266,347	\$ 364,896	\$ 367,874
Pupil transportation and student activities	310,880	315,153	301,983	337,630	372,107	489,254	377,452	442,423	677,112	1,016,578
Operating grants and contributions	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	5,082,797
Capital grants and contributions	12,398,388	449,567	280,721	123,888	121,562	1,034,268	20,623			
Total governmental activities program revenues	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	6,467,249
Business-type activities										
Charges for services										
Food service	946,322	941,083	1,097,056	1,333,216	1,691,124	2,102,683	2,113,314	2,212,288	64,741	1,503,368
Total business-type activities	946,322	941,083	1,097,056	1,333,216	1,691,124	2,102,683	2,113,314	2,212,288	64,741	1,503,368
Total district program revenues	\$ 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	\$ 7,970,617
Net (Expense)/Revenue										
Governmental activities	\$ (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)	\$ (143,322,967)
Business-type activities	3,379	5,255	32,712	6,277	(40,075)	(36,882)	37,792	57,246	(207,493)	7,057
Total government-wide net expense	\$ (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)	\$ (143,315,910)

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

	Year ended June 30.									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 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	\$ 111,115,953
Property taxes levied for debt service	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	7,653,208
Unrestricted grants and contributions	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	32,567,439
Investment earnings	38,900	61,224	23,943	88,831	150,948	221,777	248,204	144,629	105,416	174,088
Rental income	496,484	601,549	586,959	564,534	504,525	497,508	436,443	338,912	245,336	347,798
Miscellaneous income	215,386	336,001	265,788	200,351	115,767	196,469	328,831	357,697	431,742	296,498
Transfers									(155,000)	
Total governmental activities	<u>110,786,599</u>	<u>112,245,076</u>	<u>122,002,020</u>	<u>134,812,666</u>	<u>146,943,419</u>	<u>153,298,064</u>	<u>149,917,700</u>	<u>149,978,415</u>	<u>155,200,580</u>	<u>152,154,984</u>
Business-type activities:										
Interest earnings	754	693	768	1,163	2,397	6,274	9,955	5,136	564	564
Transfers									155,000	
Total business-type activities	<u>754</u>	<u>693</u>	<u>768</u>	<u>1,163</u>	<u>2,397</u>	<u>6,274</u>	<u>9,955</u>	<u>5,136</u>	<u>155,564</u>	<u>564</u>
Total government-wide	<u>\$ 110,787,353</u>	<u>\$ 112,245,769</u>	<u>\$ 122,002,788</u>	<u>\$ 134,813,829</u>	<u>\$ 146,945,816</u>	<u>\$ 153,304,338</u>	<u>\$ 149,927,655</u>	<u>\$ 149,983,551</u>	<u>\$ 155,356,144</u>	<u>\$ 152,155,548</u>
Change in Net Position										
Governmental activities	\$ 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	\$ 8,832,017
Business-type activities	4,133	5,948	33,480	7,440	(37,678)	(30,608)	47,747	62,382	(51,929)	7,621
Total district	<u>\$ 19,146,086</u>	<u>\$ 4,867,535</u>	<u>\$ 11,862,950</u>	<u>\$ 15,174,154</u>	<u>\$ 13,594,655</u>	<u>\$ 6,192,938</u>	<u>\$ (2,027,726)</u>	<u>\$ 2,495,386</u>	<u>\$ 6,593,146</u>	<u>\$ 8,839,638</u>

Source: ACFR Schedule A-2 and District records.

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

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,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Fund										
Restricted	\$ 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	\$ 15,325,293
Assigned	1,382,881	525,508	670,709	524,747	740,234	757,944	588,463	851,374	350,389	526,319
Unassigned	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	6,117,209
Total general fund	<u>\$ 6,601,282</u>	<u>\$ 7,562,585</u>	<u>\$ 9,111,892</u>	<u>\$ 8,045,227</u>	<u>\$ 8,214,762</u>	<u>\$ 7,334,880</u>	<u>\$ 8,013,892</u>	<u>\$ 11,285,293</u>	<u>\$ 18,648,973</u>	<u>\$ 21,968,821</u>
All Other Governmental Funds										
Restricted for:										
Special revenue fund				\$ 2,302,593					\$ 521,029	\$ 568,619
Debt service fund	\$ 53,510	\$ 323,480	\$ 87,680	234,706	\$ 157,471	\$ 130,368	\$ 163,560	\$ 346,768	362,541	308,531
Capital projects fund (deficit)	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	4,540,653
Total all other governmental funds	<u>\$ 3,852,600</u>	<u>\$ 10,073,317</u>	<u>\$ (1,532,187)</u>	<u>\$ 8,973,439</u>	<u>\$ 4,765,694</u>	<u>\$ 4,671,021</u>	<u>\$ 4,704,213</u>	<u>\$ 4,887,421</u>	<u>\$ 5,424,223</u>	<u>\$ 5,417,803</u>

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,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Revenues										
Tax levy	\$ 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	\$ 118,769,161
Tuition charges	10,083	46,993	112,693	170,384	241,640	354,819	266,347	318,070	364,896	367,874
Interest earnings	38,900	61,224	23,943	47,132	63,519	159,859	183,997	103,709	40,102	33,581
Investment income				41,699	87,429	61,918	64,207	40,920	65,314	140,507
Rental income	496,484	601,549	586,959	564,534	504,525	497,508	436,443	338,912	245,336	347,798
Miscellaneous	389,913	780,894	636,806	633,408	605,021	573,921	771,254	428,944	444,934	555,359
State sources	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	39,015,254
Local sources	41,914	16,418	32,279	22,806	30,465	24,340	28,953	29,750	691,465	763,389
Federal sources	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	4,051,075
Total revenue	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	164,043,998
Expenditures										
Instruction										
Regular and Special Education Instruction	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	61,231,316
Undistributed:										
Instruction	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	5,538,416
Attendance and social work	58,889	49,494	54,685	67,821	97,710	63,228	61,050	63,807	43,392	51,978
Health services	919,492	944,287	938,827	983,322	976,076	970,191	936,873	912,252	918,293	892,566
Other support services	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	9,867,624
Improvement of instruction	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	2,507,574
School library	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	1,262,662
Instructional staff training	430,027	464,605	524,358	403,168	467,394	446,711	577,929	661,513	609,672	652,193
General administration	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	1,163,012
School administration	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	4,429,901
Required maintenance of plant	1,227,905	1,271,843	1,249,197	1,247,717	1,274,856	1,323,260	1,487,391	1,260,052	1,591,403	1,374,441
Operation of plant	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	6,432,750
Student transportation	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	4,001,505
Business and oth supp. services and benefits	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	21,195,034
On Behalf TPAF social security and pension/medical contributions	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	29,131,419
Capital outlay	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	3,855,364
Charter Schools			35,575	30,910	35,671	69,317	43,071	116,590	138,254	112,768
Post-Secondary Programs		53,298								80,054
Costs of issuance										
Debt service:										
Principal	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	5,425,000
Interest	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	2,963,300
Total expenditures	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	162,168,877
Excess (Deficiency) of revenues over (under) expenditures	(908,864)	(1,318,830)	(11,256,198)	(2,861,039)	(4,038,210)	(3,184,555)	(787,796)	879,600	5,399,584	1,875,121
Other Financing sources (uses)										
Financed purchases (nonbudgeted)			1,200,000	3,800,000		2,210,000	1,500,000	2,575,009	1,800,000	1,438,307
Bond proceeds		8,500,000								
Insurance recovery related to other costs of Super Storm Sar	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	424,584	18,119	234,691	2,967,026	48,763	112,758	96,211	129,023	41,658	71,197
Transfers out	(424,584)	(18,119)	(234,691)	(2,967,026)	(48,763)	(112,758)	(96,211)	(129,023)	(196,658)	(71,197)
Total other financing sources (uses)	44,145	8,500,850	1,200,000	12,723,848	-	2,210,000	1,500,000	2,575,009	1,645,000	1,438,307
Net change in fund balances	\$ (864,719)	\$ 7,182,020	\$ (10,056,198)	\$ 9,862,809	\$ (4,038,210)	\$ (974,555)	\$ 712,204	\$ 3,454,609	\$ 7,044,584	\$ 3,313,428
Debt service as a percentage of noncapital expenditures	6.1%	6.4%	6.6%	6.2%	6.2%	6.2%	5.9%	5.9%	5.7%	5.3%

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
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
2022	367,874	90,761	347,798	258,861	296,498	1,361,792

Source: District Records

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

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Commercial	Industrial	Apartments	Total Assessed Value	Public Utilities ^a	Net Valuation Taxable	Total Direct School Tax Rate ^b
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	7,206,178,465	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		1,222,333,500	115,758,000	92,502,600	8,585,557,400	11,073,038	8,596,630,438	1.368
2021	114,749,300	7,061,621,349		1,208,844,800	110,390,500	108,656,900	8,604,262,849	11,671,927	8,615,934,776	1.379
2022	99,766,200	7,116,473,400		1,110,213,300	110,270,200	114,115,200	8,550,838,300	11,493,011	8,562,331,311	**

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.

** Information was unavailable at the time of preparation of these schedules.

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	
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
2022	**	**	**	**	**	**

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.

** Information was unavailable at the time of preparation of these schedules.

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

Taxpayer	2022			2013		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Livingston Mall	\$ 120,000,000	1	1.40%	\$ 140,000,000	1	1.88%
Livingston Circle Associates	56,981,200	2	0.67%	60,602,600	2	0.81%
Squiertown Properties, LLC	50,985,500	3	0.60%			
369 East Mount Pleasant Ave, LLC	45,500,000	4	0.53%			
348 E Cedar LLC	39,176,800	5	0.46%			
TF Livingston NJ LLC	38,751,300	6	0.45%			
KRG Livingston Center, LLC	35,359,400	7	0.41%			
Livingston Retirement Care Assoc.	31,260,800	8	0.37%	30,250,300	5	0.41%
Eastgreen, Inc.	29,937,000	9	0.35%	30,175,000	7	0.41%
Esplanade Livingston, LLC	28,464,000	10	0.33%	30,195,000	6	0.41%
CIT Group Inc.				45,938,500	3	0.62%
Formosa Plastics, Corp., USA				32,969,800	4	0.44%
Trste Src Facilities				29,469,900	8	0.40%
Daven Ave, LLC				25,714,100	9	0.35%
Care Two, LLC				22,440,000	10	0.30%
Total	<u>\$ 476,416,000</u>		<u>5.56%</u>	<u>\$ 447,755,200</u>		<u>6.03%</u>

Source: Municipal Tax Assessor and Treasurer.

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

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy Amount	Percentage of Levy	Collections in Subsequent Years
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%	-
2022	118,769,161	118,769,161	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*	Financed Purchases Payable	Leases Payable	Bond Anticipation Notes	Grant Anticipation Notes			
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	\$ 1,828,289			76,637,544	0.09%	67,657
2022	64,660,000	4,419,553	1,533,474			70,613,027	0.10%	70,497

Source: District ACFR 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.

The District implemented GASB 87, *Leases*, during the year ended June 30, 2022. June 30, 2021 balances were restated as required during implementation.

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			Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds and Notes	Deductions	Net General Bonded Debt Outstanding		
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%	67,657
2022	64,660,000	308,531	64,351,469	0.75%	70,497

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 statement

Livingston Board of Education
 Ratios of Overlapping Governmental Activities Debt
 As of June 30, 2022
 Unaudited

	Debt Outstanding	Estimated Percentage Applicable ^a	Estimated Share of Overlapping Debt
Debt repaid with property taxes			
Livingston Township		Not Available	
County of Essex		Not Available	
Subtotal, overlapping debt		Not Available	
Livingston Township School District Direct Debt			\$64,351,469
Total direct and overlapping debt			Not available

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.

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

Legal Debt Margin Calculation for Fiscal Year 2022

Equalized valuation basis	2022	\$ 8,834,536,325
	2021	8,860,326,278
	2020	8,657,413,936
		<u>\$ 26,352,276,539</u>

Average equalized valuation of taxable property (Using avail: \$ 8,784,092,180)

Debt limit (4 % of average equalization value)	\$ 351,363,687
Net bonded school debt	64,351,469
Legal debt margin	<u>\$ 287,012,218</u>

Fiscal Year Ended June 30,

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Debt limit	\$ 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	\$ 351,363,687
Total net debt applicable to limit	<u>126,216,849</u>	<u>121,058,369</u>	<u>117,289,169</u>	<u>104,316,143</u>	<u>95,363,378</u>	<u>95,101,454</u>	<u>90,349,901 *</u>	<u>75,095,000</u>	<u>76,133,308</u>	<u>64,351,469</u>
Legal debt margin	<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>	<u>\$ 287,012,218</u>
Total net debt applicable to the limit as a percentage of debt limit	41.32%	40.27%	39.11%	34.41%	31.10%	30.43%	28.32%	22.48%	28.22%	18.31%

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

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

<u>Year</u>	<u>Population ^a</u>	<u>Personal</u>	<u>Per Capita</u>	<u>Unemployment</u>
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%
2022	31,087	N/A	70,497	4.5%

Source:

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

b Personal income data is not available.

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

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

N/A - Not available.

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

Information was not available.

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

<u>Function/Program</u>	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Instruction										
Regular	397	398	399	402	402	403	412	419	423	435
Special education	59	63	67	67	70	71	75	76	75	78
Support services										
Student & instruction related services	102	102	104	104	110	110	114	116	117	119
General administrative services	13	13	13	13	14	16	17	17	17	17
School administrative services	42	42	42	42	43	44	44	44	46	47
Business administrative services	12	12	12	12	12	12	12	12	12	13
Plant operations and maintenance	57	57	57	57	59	59	59	59	59	61
Pupil transportation	28	27	28	28	29	29	32	32	33	33
Total	<u>710</u>	<u>714</u>	<u>722</u>	<u>725</u>	<u>739</u>	<u>744</u>	<u>765</u>	<u>775</u>	<u>782</u>	<u>803</u>

Source: District Personnel Records

Livingston Board of Education
 Operating Statistics
 Last Ten Fiscal Years
 Unaudited

Fiscal Year	Enrollment	Operating Expenditures ^a	Cost Per Pupil	Percentage Change	Teaching Staff ^b	Pupil/Teacher Ratio			Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School	High School				
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%	513	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%
2022	6,125	149,925,213	24,478	8.54%	542	1:13	1:11	1:11	6,171	5,920	2.45%	95.93%

Sources: District records and ASSA.

Note: Enrollment based on annual October district count.

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

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

District Building	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Elementary											
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	55,467
Capacity (students)	412	412	412	412	522	522	522	522	522	522	522
Enrollment	413	454	440	464	472	447	475	461	486	442	449
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	53,440
Capacity (students)	386	386	386	386	414	414	414	414	414	414	414
Enrollment	417	421	406	400	398	375	402	396	397	401	431
Collins Elementary											
Square Feet	48,589	48,589	48,589	48,589	53,309	53,309	53,309	53,309	53,309	53,309	53,309
Capacity (students)	389	389	389	389	424	424	424	424	424	424	424
Enrollment	424	432	452	453	481	467	453	464	462	457	449
Harrison Elementary											
Square Feet	64,555	64,555	64,555	64,555	75,151	75,151	75,151	75,151	75,151	75,151	75,151
Capacity (students)	516	516	516	516	656	656	656	656	656	656	656
Enrollment	528	517	485	487	480	451	473	465	449	459	483
Hillside Elementary											
Square Feet	45,168	45,168	45,168	45,168	51,694	51,694	51,694	51,694	51,694	51,694	51,694
Capacity (students)	361	361	361	361	529	529	529	529	529	529	529
Enrollment a	398	412	406	412	407	394	399	404	397	391	417
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	48,086
Capacity (students)	385	385	385	385	385	385	385	385	385	385	385
Enrollment	423	435	450	454	446	428	434	438	426	415	435
Middle Schools											
Heritage											
Square Feet	150,861	150,861	150,861	150,861	150,861	150,861	150,861	150,861	150,861	150,861	150,861
Capacity (students)	1,152	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	1,014
Mount Pleasant											
Square Feet	87,421	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	687
Enrollment	425	477	471	476	463	464	481	484	509	483	477
High School											
Livingston High School											
Square Feet	302,127	302,127	302,127	302,127	302,127	302,127	302,127	302,127	302,127	302,127	302,127
Capacity (students)	1,736	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	1,970

Number of Schools at June 30, 2022
 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)	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Livingston High School	50	\$ 373,823	\$ 445,593	\$ 352,815	\$ 416,470	\$ 370,514	\$ 356,961	\$ 349,361	\$349,774	\$ 356,114	\$ 343,815
Heritage Middle School	55	264,052	302,367	239,410	282,605	251,420	242,222	237,066	237,347	241,650	233,302
Mt. Pleasant Middle School	60	180,667	206,883	163,807	193,361	172,024	165,731	162,203	162,396	165,340	159,628
Burnet Hill	70	97,282	111,397	88,203	104,117	92,628	89,240	87,340	87,444	89,029	85,953
Collins	80	83,385	95,484	75,603	89,243	79,395	76,491	74,863	74,952	76,311	73,674
Harrison	90	125,077	143,227	113,405	133,866	119,094	114,738	112,295	112,428	114,466	110,511
Hillside	100	83,385	95,484	75,603	89,243	79,395	76,491	74,863	74,952	76,311	73,674
Mt. Pleasant	110	83,385	95,484	75,603	89,243	79,395	76,491	74,863	74,952	76,311	73,674
Riker Hill	118	83,385	95,484	75,603	89,243	79,395	76,491	74,863	74,952	76,311	73,674
Total School Facilities		\$1,374,441	\$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, 2022
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	Incl. Property Limit	\$1,000
Property Limit	\$220,625,699	
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 Inc	\$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	\$31,000,000	
Employee Benefits Liability	\$31,000,000	\$1,000
Terrorism	\$1,000,000	
Automotive Coverage:		
Combined Single Limit for Bodily Injury & Property Damage	\$31,000,000	\$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	\$31,000,000	\$5,000
Coverage B - defense costs for specific administrative actions	\$100,000/claim	\$5,000
Workers' Compensation		
Bodily Injury by Accident	\$3,000,000	
Bodily Injury by Disease	\$3,000,000	
Student Accident		
All Student Coverage	\$25,000	
Catastrophic Coverage	\$7,500,000	\$25,000

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

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 ("*Government Auditing Standards*"), 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, 2022, 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 10, 2023.

Report on 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 or significant deficiencies may exist that were not identified.

Report on 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 financial statements. 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.

PKF O'Connor Davies, LLP

Cranford, New Jersey
March 10, 2023

Scott A. Clelland

Scott A. Clelland, CPA
Licensed Public School Accountant, No. 1049

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

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited Livingston Board of Education, 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, 2022. 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.

In our opinion, the District complied, in all material respects, with the 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, 2022.

Basis for Opinion on Each Major Federal and State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America ("GAAS"); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States ("*Government Auditing Standards*"), 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*. Our responsibilities under those standards, the Uniform Guidance and New Jersey OMB Circular 15-08 are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal and state program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

PKF O'CONNOR DAVIES, LLP
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Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the District's federal and state programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance and New Jersey OMB Circular 15-08 will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Non-compliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal and state program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance and New Jersey OMB Circular 15-08, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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.

PKF O'Connor Davies, LLP

Cranford, New Jersey
March 10, 2023

Scott A. Clelland

Scott A. Clelland, CPA
Licensed Public School Accountant, No. 1049

Livingston Board of Education
Schedule of Expenditures of Federal Awards

Year ended June 30, 2022

Federal Grantor/Pass-Through Grantor/Program Title	Federal AL Number	Federal FAIN Number	Grant Period	Award Amount	June 30, 2021			Cash Received	Budgetary Expenditures	Repayment of Prior year Balances	June 30, 2022			Amounts Provided To Subrecipients
					Unearned Revenue	(Accounts Receivable)	Due to Grantor				(Accounts Receivable)	Unearned Revenue	Due to Grantor	
General Fund:														
U.S. Department of Health and Human Services--														
Passed Through the State Department of Education:														
Medical Assistance - SEMI	93.778	2105NJ5MAP	7/1/21-6/30/22	\$ 19,090			\$ 13,229	\$ (19,091)			\$ (5,862)			
Total General Fund							13,229	(19,091)			(5,862)			
Special Revenue Fund:														
U.S. Department of Education -														
Passed Through the State Department of Education:														
Title I, Part A	84.010A	S010A210030	7/1/21-9/30/22	143,970			77,435	(143,470)			(66,035)			
Title I, Part A	84.010A	S010A200030	7/1/20-9/30/21	132,333		(60,900)	60,900							
Title II-A	84.367A	S367A210029	7/1/21-9/30/22	78,364			43,968	(78,364)			(34,396)			
Title II-A	84.367A	S367A200029	7/1/20-9/30/21	77,886		(39,411)	39,411							
Title III	84.365A	S365A210030	7/1/21-9/30/22	22,364			15,706	(22,364)			(6,658)			
Title III	84.365A	S365A200030	7/1/20-9/30/21	28,958		(6,573)	6,573							
Title IV	84.424	S424A210031	7/1/21-9/30/22	10,000			10,000	(10,000)						
Title IV	84.424	S424A200031	7/1/20-9/30/21	10,000		(500)	500							
Special Education Cluster:														
IDEA Part B, Basic	84.027A	H027A200100	7/1/21-9/30/22	1,399,595			1,064,302	(1,390,589)			(326,287)			
IDEA Part B, Basic	84.027A	H027A190100	7/1/20-9/30/21	1,413,789		(412,606)	412,606							
ARP, Basic	84.027X	H027X210100	7/1/21-9/30/22	319,586			152,514	(302,116)			(149,602)			
IDEA Part B, Preschool	84.173A	H173A190114	7/1/21-9/30/22	58,009			50,446	(58,009)			(7,563)			
IDEA Part B, Preschool	84.173A	H173A200114	7/1/20-9/30/21	57,132		(16,271)	16,271							
ARP, Preschool	84.173X	H173X210114	7/1/21-9/30/22	27,295			27,295	(27,295)						
Total Special Education Cluster						(428,877)	1,723,434	(1,778,009)			(483,452)			
Elementary and Secondary School Emergency Relief (ESSER) Cluster:														
COVID-19 CR Learning Acceleration (ESSER II)	84.425D	S425D210027	3/13/20-9/30/24	496,713			26,882	(26,882)						
COVID-19 CR Mental Health (ESSER II)	84.425D	S425D210027	3/13/20-9/30/24	45,000			22,224	(22,940)			(716)			
COVID-19 ESSER II	84.425D	S425D210027	3/13/20-9/30/23	418,880			418,880	(418,880)						
COVID-19 ARP ESSER	84.425U	S425U210027	3/13/20-9/30/24	941,405			11,457	(591,275)			(579,818)			
COVID-19 ARP ESSER - Accelerated Learning Coaching and Educator Support Grant	84.425U	S425U210027	3/13/20-9/30/24	496,713			29,351	(109,914)			(80,563)			
Total Elementary and Secondary School Emergency Relief (ESSER) Cluster:							467,986	(1,169,891)			(661,097)			
Total U.S. Department of Education - Passed Through the State Department of Education														
						(536,261)	1,977,927	(3,202,098)			(1,251,638)			
U.S. Department of the Treasury Passed-Through State Department of Education														
COVID-19 Coronavirus State and Local Fiscal Recovery Funds (ACSERS)	21.027	SLFRFDOE1SES	7/1/21-6/30/22	992,544			496,272	(992,544)			(496,272)			
Total U.S. Department of the Treasury Passed-Through State Department of Education														
							496,272	(992,544)						
U.S. Department of Health and Human Services-- Passed Through the State Department of Education:														
Epidemiology and Laboratory Capacity for Infectious Disease (ELC)	93.323	N/A	3/13/20-9/30/24	18,894			16,532	(18,894)			(2,362)			
Total Special Revenue Fund						(536,261)	2,490,731	(4,213,536)			(1,750,272)			
Total Federal Awards Expenditures				\$	-	\$ (536,261)	\$ 2,503,960	\$ (4,232,627)	\$	-	\$ (1,756,134)	\$	-	\$ -

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

Livingston Board of Education

Schedule of Expenditures of State Financial Assistance

Year ended June 30, 2022

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	June 30, 2021		Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	June 30, 2022		Memo	
				(Accounts Receivable)	Due to Grantor				(Accounts Receivable)	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures
General Fund:												
State Department of Education												
Special Education Categorical Aid	495-034-5120-089	7/1/20-6/30/21	\$ 3,126,294	\$ (289,825)		\$ 289,825						
Special Education Categorical Aid	495-034-5120-089	7/1/21-6/30/22	4,312,253			3,912,573	\$ (4,312,253)			\$ (399,680)	\$ (4,312,253)	
Transportation Aid	495-034-5120-014	7/1/20-6/30/21	1,303,530	(120,844)		120,844						
Transportation Aid	495-034-5120-014	7/1/21-6/30/22	1,303,530			1,182,712	(1,303,530)			(120,818)	(1,303,530)	
Security Aid	495-034-5120-084	7/1/20-6/30/21	434,880	(40,316)		40,316						
Security Aid	495-034-5120-084	7/1/21-6/30/22	434,880			394,573	(434,880)			(40,307)	(434,880)	
Extraordinary Aid	100-034-5120-473	7/1/20-6/30/21	2,495,779	(2,322,570)		2,322,570						
Extraordinary Aid	100-034-5120-473	7/1/21-6/30/22	1,957,880			1,957,880	(1,957,880)		\$ (1,957,880)		(1,957,880)	
Additional NonPublic Transportation Aid	Not available	7/1/20-6/30/21	60,209	(60,209)		60,209						
Additional NonPublic Transportation Aid	Not available	7/1/21-6/30/22	60,354				(60,354)		(60,354)		(60,354)	
On-Behalf Teachers' Pension and Annuity Fund	495-034-5094-002	7/1/21-6/30/22	20,246,121			20,246,121	(20,246,121)				(20,246,121)	
On-Behalf Teachers' Pension and Annuity Fund - Post-Retirement Medical	495-034-5094-001	7/1/21-6/30/22	4,730,312			4,730,312	(4,730,312)				(4,730,312)	
On-Behalf Teachers' Pension and Annuity Fund - Non-Contributory Insurance	495-034-5094-004	7/1/21-6/30/22	8,053			8,053	(8,053)				(8,053)	
Reimbursed TPAF - Social Security	495-034-5094-003	7/1/21-6/30/22	4,146,933			3,945,939	(4,146,933)		(200,994)		(4,146,933)	
Total State Department of Education - General Fund				(2,833,764)		37,254,047	(37,200,316)		(2,219,228)	(560,805)	(37,200,316)	
School Development Authority												
School Security Grant (Alyssa's Law)	22E00114	4/1/21-8/31/22	341,291			184,230	(341,291)		(157,061)		(341,291)	
Total School Development Authority						184,230	(341,291)		(157,061)		(341,291)	
Total General Fund				(2,833,764)		37,438,277	(37,541,607)		(2,376,289)	(560,805)	(37,541,607)	
Special Revenue Fund:												
New Jersey Non-Public Aid:												
Textbook Aid	100-034-5120-064	7/1/20-6/30/21	48,933		\$ 682			\$ 682				
Textbook Aid	100-034-5120-064	7/1/21-6/30/22	46,516			46,516	(46,432)			\$ 84	(46,432)	
Technology Aid	100-034-5120-373	7/1/21-6/30/22	58,716			58,716	(57,893)			823	(57,893)	
Security Aid	100-034-5120-509	7/1/20-6/30/21	255,675		708			708				
Security Aid	100-034-5120-509	7/1/21-6/30/22	253,575			253,575	(252,818)			757	(252,818)	
Nonpublic STEM grant	100-034-5068-051	7/1/20-6/30/21	8,286	(8,286)		8,286						
Nonpublic STEM grant	100-034-5068-051	7/1/21-6/30/22	4,620			4,620	(4,620)					
Non Public Auxiliary Services (Ch. 192):	100-034-5120-067											
English as a Second Language		7/1/21-6/30/22	183			183	(91)			92	(91)	
Compensatory Education		7/1/20-6/30/21	63,229		8,362			8,362				
Compensatory Education		7/1/21-6/30/22	59,122			59,122	(53,748)			5,374	(53,748)	
Home Instruction		7/1/20-6/30/21										
Home Instruction		7/1/21-6/30/22	5,408				(5,408)		(5,408)		(5,408)	
Non Public Handicapped Services (Ch. 193):	100-034-5120-066											
Supplemental Instruction		7/1/20-6/30/21	185,371		35,389			35,389				
Supplemental Instruction		7/1/21-6/30/22	195,762			195,762	(165,117)			30,645	(165,117)	
Examination and Classification		7/1/20-6/30/21	249,736		55,376			55,376				
Examination and Classification		7/1/21-6/30/22	246,076			246,076	(218,196)			27,880	(218,196)	
Corrective Speech		7/1/20-6/30/21	71,089		30,623			30,623				
Corrective Speech		7/1/21-6/30/22	64,170			64,170	(43,524)			20,646	(43,524)	
Non Public Nursing Services	100-034-5120-070	7/1/21-6/30/22	162,288			162,288	(162,288)				(162,288)	
School Development Authority - Emergent Needs	Not Available	7/1/21-6/30/22	146,123			146,123	(146,123)					
Total Special Revenue Fund				(8,286)	131,140	1,245,437	(1,156,258)	131,140	(5,408)	86,301	(1,005,515)	
Debt Service Fund:												
Debt Service Aid	495-034-5120-017	7/1/21-6/30/22				538,324	(538,324)				(538,324)	
Total Debt Service Fund						538,324	(538,324)				(538,324)	
Total State Financial Assistance			\$ (2,842,050)	\$ 131,140	\$ 39,222,038	\$ (39,236,189)	\$ 131,140	\$ (2,381,697)	\$ 86,301	\$ (560,805)	\$ (38,744,155)	
State Financial Assistance Not Subject to Single Audit Determination:												
On-Behalf Teachers' Pension and Annuity Fund	495-034-5094-002	7/1/21-6/30/22				20,246,121	(20,246,121)				(20,246,121)	
On-Behalf Teachers' Pension and Annuity Fund - Post-Retirement Medical	495-034-5094-001	7/1/21-6/30/22				4,730,312	(4,730,312)				(4,730,312)	
On-Behalf Teachers' Pension and Annuity Fund - Non-Contributory Insurance	495-034-5094-004	7/1/21-6/30/22				8,053	(8,053)				(8,053)	
Total State Financial Assistance Subject to Single Audit Determination			\$ (2,842,050)	\$ 131,140	\$ 14,237,552	\$ (14,251,703)	\$ 131,140	\$ (2,381,697)	\$ 86,301	\$ (560,805)	\$ (13,759,669)	

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, 2022

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, 2022. 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 are described in Note 1 to the District's basic financial statements.

Livingston Board of Education

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

Year ended June 30, 2022

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 bylaw or grant agreement to be recognized in the fiscal year, whereas for GAAP reporting, 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.

As a result, the federal account receivable balance in the special revenue fund on the budgetary basis differs from the GAAP basis as follows:

<u>Accounts</u> <u>Receivable</u>	<u>Budgetary</u> <u>Basis</u>	<u>Less:</u> <u>Encumbrances</u>	<u>GAAP</u> <u>Basis</u>
Federal	\$1,750,272	\$181,551	\$1,568,721

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$46,757 for the general fund and \$320,398 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:

Livingston Board of Education

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

Year ended June 30, 2022

3. Relationship to Basic Financial Statements (continued)

	Federal	State	Total
General Fund	\$ 19,091	\$ 37,431,787	\$ 37,450,878
Special Revenue Fund	4,031,984	1,045,143	5,077,127
Debt Service Fund		538,324	538,324
Total financial award revenues	<u>\$ 4,051,075</u>	<u>\$ 39,015,254</u>	<u>\$ 43,066,329</u>

The adjustment to reconcile from budgetary basis accounts receivable to GAAP basis accounts receivable is \$181,551 for the special revenue fund. This is a result of recognizing encumbrances as expenditures on the budgetary basis but not on the GAAP basis.

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, 2022.

The post retirement pension and medical benefits received on-behalf of the District for the year ended June 30, 2022 amounted to \$24,984,486. 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, 2022

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		IDEA Special Education Cluster
84.425D/84.425U		Education Stabilization Fund
21.027		COVID-19 State and Local Fiscal Recovery (ACSERS)

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, 2022

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
495-034-5120-014	Transportation Aid
100-034-5120-473	Extraordinary Aid
22E00114	Alyssa’s Law Security Grant

Livingston Board of Education

Schedule of Findings and Questioned Costs

Year ended June 30, 2022

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, 2022

**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, 2022

No prior year findings were noted.