

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, 2023*

Livingston Board of Education

Livingston Township, New Jersey

Annual Comprehensive Financial Report
For the Year Ended June 30, 2023

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

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Introductory Section

LIVINGSTON BOARD OF EDUCATION

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February 9, 2024

Honorable President and
Board of Education
Livingston School District
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, 2023, 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, 2023 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 2022-2023 fiscal year with an average daily enrollment of 6,347 students, which is an increase of 176 students from the previous year's average daily enrollment. The following details the changes in the average daily enrollment of the District over the last five years.

Average Daily Enrollment

Fiscal Year	Student Enrollment	Percent Change
2022-23	6,347	2.85%
2021-22	6,171	2.45%
2020-21	6,020	(1.63%)
2019-20	6,120	1.88%
2018-19	6,007	0.60%

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, 2023.

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,

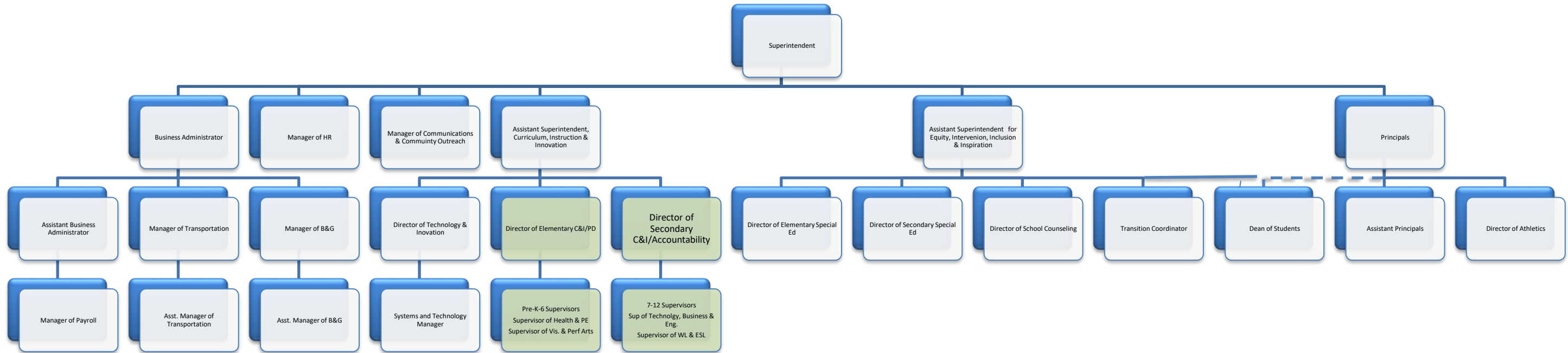


Matthew Block, Ed. D.
Superintendent of Schools



Thomas Lambe
School Business Administrator / Board Secretary

Livingston Board of Education
Organizational Chart
As of June 30, 2023



Livingston Board of Education

Roster of Officials

As of June 30, 2023

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Mrs. Vineeta Khanna, President	2023
Mrs. Pamela Chirls, Vice-President	2024
Mrs. Jenissa Arnette	2024
Mr. Seth Cohen	2025
Mrs. Parul Khemka	2025
 <u>Other Officials</u>	
Mr. Matthew J. Block Ed.D., Superintendent of Schools	
Ms. Dora E. Zeno, Interim School Business Administrator/Board Secretary (Through June 30, 2023)	
Mr. Thomas Lambe, School Business Administrator/Board Secretary (commencing on July 1, 2023)	
Mrs. Lisa Capone-Steiger, Assistant Superintendent of Schools	
Mr. Mark Stern, Assistant Superintendent of Schools	
Ms. Tatiana Gilbert, Assistant Business Administrator	
Ms. Lindita Agastra, Interim Assistant Business Administrator	

Livingston Board of Education

Independent Auditor and Advisors

June 30, 2023

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
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, 2023, 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, 2023, 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.

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, 2023. 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 February 9, 2024 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
February 9, 2024

Scott A. Clelland

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

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, 2023

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, 2023. 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, 2023 are as follows:

- The District ended the year with governmental activities net position of \$64,394,187. 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 \$149,790,154 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 \$7,802,260 or 5 percent of total revenues of 157,592,414 (Schedule A-2).
- The District had \$169,996,414 in governmental funds expenditures (Schedule B-2). Of that amount, the General Fund expenditures totaled \$156,955,399, including \$30,105,959 in State on-behalf TPAF pension and social security contributions. Grant and Student Activity-related expenditures totaled \$4,849,340 in the special revenue fund. Debt Service expenditures were consistent with expected principal and interest payments on debt due by the District in the amount of \$5,460,000 and \$2,731,675, respectively (Schedule B-2). Business-type activities expenses were \$2,129,863 (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 a 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 Fund

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

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found immediately after the basic financial statements of this report.

The School District as a Whole

The Statement of Net Position provides the perspective of the District as a whole. Net position may serve over time as a useful indicator of a government's financial position. However, as noted earlier, net position is not the primary basis for the decision making for each budget cycle. The District's financial position is the product of several financial transactions including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets, and the depreciation/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,

	2023			2022		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-Type Activities	Total
Assets:						
Current and other assets	\$ 29,156,628	\$ 432,100	\$ 29,588,728	\$ 31,815,050	\$ 351,272	\$ 32,166,322
Capital assets, net	138,965,547	49,518	139,015,065	142,995,535	77,959	143,073,494
Total assets	168,122,175	481,618	168,603,793	174,810,585	429,231	175,239,816
Deferred outflows of resources	6,046,621		6,046,621	4,962,047		4,962,047
Liabilities:						
Current liabilities	14,909,353	387,735	15,297,088	16,203,698	319,017	16,522,715
Long-term liabilities	90,688,438		90,688,438	91,948,426	17,821	91,966,247
Total liabilities	105,597,791	387,735	105,985,526	108,152,124	336,838	108,488,962
Deferred inflow of resources	4,176,818		4,176,818	11,007,757		11,007,757
Net position:						
Net investment in capital assets	70,575,204	33,036	70,608,240	68,347,168	39,562	68,386,730
Restricted	19,937,540		19,937,540	20,434,565		20,434,565
Unrestricted (deficit)	(26,118,557)	60,847	(26,057,710)	(28,168,982)	52,831	(28,116,151)
Total net position	\$ 64,394,187	\$ 93,883	\$ 64,488,070	\$ 60,612,751	\$ 92,393	\$ 60,705,144

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 decreased mainly due to the decrease in cash and cash equivalents due to current year fiscal results offset by a new financed purchase during the year. Current liabilities decreased 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 \$2.2 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, 2023 and 2022:

Table 2
Changes in Net Position
Years ended June 30,

	2023			2022		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-Type Activities	Total
Revenues:						
Program revenues:						
Charges for services	\$ 1,878,534	\$ 2,130,599	\$ 4,009,133	\$ 1,384,452	\$ 1,503,368	\$ 2,887,820
Operating grants and contributions	3,793,127		3,793,127	5,082,797		5,082,797
Total program revenues	5,671,661	2,130,599	7,802,260	6,467,249	1,503,368	7,970,617
General revenues:						
Property taxes	120,097,687		120,097,687	118,769,161		118,769,161
Federal aid not restricted to specific purposes	21,909		21,909	19,091		19,091
State aid not restricted to specific purposes	28,366,031		28,366,031	32,548,348		32,548,348
Investment earnings	275,491	754	276,245	174,088	564	174,652
Rental income	446,364		446,364	347,798		347,798
Miscellaneous	581,918		581,918	296,498		296,498
Total general revenues	149,789,400	754	149,790,154	152,154,984	564	152,155,548
Expenses:						
Instructional services	96,661,639		96,661,639	97,194,603		97,194,603
Support services	52,560,210	2,129,863	54,690,073	49,932,795	1,496,311	51,429,106
Charter schools	104,351		104,351	112,768		112,768
Interest on long-term debt	2,353,425		2,353,425	2,550,050		2,550,050
Total expenses	151,679,625	2,129,863	153,809,488	149,790,216	1,496,311	151,286,527
Change in net position	3,781,436	1,490	3,782,926	8,832,017	7,621	8,839,638
Net position - beginning	60,612,751	92,393	60,705,144	51,780,734	84,772	51,865,506
Net position - ending	\$ 64,394,187	\$ 93,883	\$ 64,488,070	\$ 60,612,751	\$ 92,393	\$ 60,705,144

Property taxes made up 80.18% of revenues for governmental activities for the District for fiscal year 2023. Federal and state unrestricted aid accounted for another 18.95% of revenue. Property taxes increased within allowable caps as permitted by New Jersey regulations.

The total expenses of all programs and services was \$153,809,488. Instruction comprised 63.73% 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 \$16,171,775, assigned fund balances were \$2,662,285 and the unassigned fund balance was \$3,258,502, while the total fund balance was \$22,233,862 (B-1). For the year ended June 30, 2023, the District generated excess surplus in the amount of \$1,882,516.

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 decreased by \$1,124,784 and \$1,157,181, respectively, mainly due to the expenditure of COVID-related grants in the prior year. IDEA continues to be the largest grant in the special revenue fund, with expenditures in the current fiscal year of \$1,470,838.

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, however there was \$1,500,000 transferred to the debt service fund. Total restricted fund balance was \$3,040,653 as of June 30, 2023.

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 was \$243,474 at June 30, 2023.

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, 2023, and the amount and percentage of increases and decreases in relation to prior year revenues.

Revenues	Amount	Percent of Total	Increase (Decrease) from 2022	Percent of Increase (Decrease)
Local sources	\$ 123,301,362	74.0%	\$ 2,329,576	1.9%
State sources	40,763,223	24.5%	1,747,969	4.5%
Federal sources	2,581,886	1.5%	(1,469,189)	-36.3%
Total	\$ 166,646,471	100.0%	\$ 2,608,356	1.6%

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

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

The decrease in federal sources is attributable to decreases 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, 2023, and the amount and percentage of increases and decreases in relation to prior year expenditures.

Expenditures	Amount	Percent of Total	Increase (Decrease) from 2022	Percent of Increase (Decrease)
Current expense:				
Instruction	\$ 61,361,295	36.1%	\$ 129,979	0.2%
Support services	95,136,720	56.0%	6,555,591	7.4%
Capital outlay	5,202,373	3.0%	1,347,009	34.9%
Charter schools	104,351	0.1%	(8,417)	-7.5%
Debt service	8,191,675	4.8%	(196,625)	-2.3%
Total	\$ 169,996,414	100.0%	\$ 7,827,537	4.8%

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

The increase in capital outlay is the result of greater equipment and improvement purchase activity during the 2022-23 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:

- Instruction – regular programs – a decrease of \$519,513 was mainly due to a decrease in the number of teaching staff for kindergarten and elementary programs, as the District had a decreased need for instructional salaries and general supplies.
- Student transportation services – an increase of \$692,635 was mainly due to increased need for transportation services for special education students.
- Unallocated benefits – health benefits – a decrease of \$477,521 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 2023, the District had \$138,965,547 invested in land, land improvements, building and building improvements, machinery, equipment and vehicles, and right to use assets, net of accumulated depreciation/amortization.

The following presents a comparison for 2023 and 2022 for governmental capital assets:

Capital Assets (Net of Depreciation/Amortization)

	Year Ended June 30,	
	2023	2022
Land	\$ 3,253,263	\$ 3,253,263
Land improvements	377,181	429,098
Building and building improvements	126,165,948	130,403,397
Machinery, equipment and vehicles	7,963,611	7,392,860
Right to use asset - leased building	920,819	1,052,364
Right to use asset - leased equipment	284,725	464,553
Total	<u>\$ 138,965,547</u>	<u>\$ 142,995,535</u>

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

Debt Administration and Long-term Liabilities

At June 30, 2023, the District had \$98,628,529 of long-term liabilities. Of this amount, \$7,105,113 relates to compensated absences; \$4,460,910 relates to various financed purchases payable; \$1,238,661 relates to leases payable, \$59,200,000 of serial bonds for school construction and renovation projects; \$20,905,021 relates to the net pension liability, \$5,685,322 is for the unamortized premium on bonds and \$33,502 is for the unamortized premium on financed purchases.

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, and is still catching up on facilities maintenances that had been delayed during the pandemic. Costs related to technology, safety and maintenance increased during the Pandemic and have not gone down. The District received Federal assistance to mitigate these additional costs, but those grants have run out. Still, 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. Thomas Lambe, 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, 2023.

Livingston Board of Education

Statement of Net Position

June 30, 2023

	Governmental Activities	Business-type Activities	Total
Assets			
Cash and cash equivalents	\$ 23,223,375	\$ 417,302	\$ 23,640,677
Cash held with fiscal agents	2,532,927		2,532,927
Investments	114,595		114,595
Accounts receivable	3,285,731		3,285,731
Inventories		14,798	14,798
Capital assets, non-depreciable	3,253,263		3,253,263
Capital assets being depreciated/amortized, net	135,712,284	49,518	135,761,802
Total assets	<u>168,122,175</u>	<u>481,618</u>	<u>168,603,793</u>
Deferred outflows of resources			
Unamortized loss on refunding of debt	1,984,578		1,984,578
Pension deferrals	4,062,043		4,062,043
Total deferred outflows of resources	<u>6,046,621</u>		<u>6,046,621</u>
Liabilities			
Accounts payable	3,470,750	191,360	3,662,110
Accrued interest payable	1,271,835		1,271,835
Intergovernmental payables:			
State	48,900		48,900
Payroll deductions and withholdings payable	1,648,017		1,648,017
Unearned revenue	529,760	179,893	709,653
Net pension liability	20,905,021		20,905,021
Current portion of long-term obligations	7,940,091	16,482	7,956,573
Noncurrent portion of long-term obligations	69,783,417		69,783,417
Total liabilities	<u>105,597,791</u>	<u>387,735</u>	<u>105,985,526</u>
Deferred inflow of resources			
Pension deferrals	4,176,818		4,176,818
Net position			
Net investment in capital assets	70,575,204	33,036	70,608,240
Restricted for:			
Capital projects	3,040,653		3,040,653
Capital reserve	9,987,624		9,987,624
Emergency reserve	1,000,000		1,000,000
Excess fund balance	4,782,094		4,782,094
Unemployment compensation	543,357		543,357
Student activities	583,812		583,812
Unrestricted (deficit)	(26,118,557)	60,847	(26,057,710)
Total net position	<u>\$ 64,394,187</u>	<u>\$ 93,883</u>	<u>\$ 64,488,070</u>

Livingston Board of Education

Statement of Activities

Year ended June 30, 2023

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	\$ 96,661,639	\$ 384,209	\$ 3,224,448	\$ (93,052,982)		\$ (93,052,982)
Support services:						
Attendance/social work	143,626			(143,626)		(143,626)
Health services	1,322,916			(1,322,916)		(1,322,916)
Other support services	14,954,002	1,071,406	568,679	(13,313,917)		(13,313,917)
Improvement of instruction	4,014,976			(4,014,976)		(4,014,976)
Other support: instructional staff	885,128			(885,128)		(885,128)
School library	1,591,913			(1,591,913)		(1,591,913)
General administration	1,683,623			(1,683,623)		(1,683,623)
School administration	6,780,636			(6,780,636)		(6,780,636)
Required maintenance of plant services	1,875,890			(1,875,890)		(1,875,890)
Operation of plant	8,536,688			(8,536,688)		(8,536,688)
Student transportation	5,736,802	422,919		(5,313,883)		(5,313,883)
Central services	2,344,281			(2,344,281)		(2,344,281)
Administrative information technology	2,689,729			(2,689,729)		(2,689,729)
Charter Schools	104,351			(104,351)		(104,351)
Interest and other charges on long-term obligations	2,353,425			(2,353,425)		(2,353,425)
Total governmental activities	151,679,625	1,878,534	3,793,127	(146,007,964)		(146,007,964)
Business-type activities						
Food service	2,129,863	2,130,599			\$ 736	736
Total business-type activities	2,129,863	2,130,599	-		736	736
Total primary government	\$ 153,809,488	\$ 4,009,133	\$ 3,793,127	(146,007,964)	736	(146,007,228)
General revenues:						
Property taxes, levied for general purposes				114,141,214		114,141,214
Property taxes, levied for debt service				5,956,473		5,956,473
Unrestricted federal sources				21,909		21,909
Unrestricted state sources				28,366,031		28,366,031
Investment earnings				275,491	754	276,245
Rental income				446,364		446,364
Miscellaneous income				581,918		581,918
Total general revenues				149,789,400	754	149,790,154
Change in net position				3,781,436	1,490	3,782,926
Net position—beginning of year				60,612,751	92,393	60,705,144
Net position—end of year				\$ 64,394,187	\$ 93,883	\$ 64,488,070

Fund Financial Statements

Governmental Funds

Livingston Board of Education
Governmental Funds
Balance Sheet
June 30, 2023

	Major Funds				Total Governmental Funds
	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	
Assets					
Cash and cash equivalents	\$ 19,000,273	\$ 583,812	\$ 4,567,394	\$ 1,116,896	\$ 25,268,375
Cash held with fiscal agents	487,927				487,927
Investments	114,595				114,595
Accounts receivable:					
State	1,652,847	13,191			1,666,038
Federal		977,620			977,620
Interfund	3,064,095			1,500,000	4,564,095
Other	541,357			100,716	642,073
Total assets	<u>\$ 24,861,094</u>	<u>\$ 1,574,623</u>	<u>\$ 4,567,394</u>	<u>\$ 2,717,612</u>	<u>\$ 33,720,723</u>
Liabilities and fund balances					
Liabilities:					
Accounts payable	\$ 503,590	\$ 324,560			\$ 828,150
Intergovernmental payables:					
State		48,900			48,900
Unearned revenue	475,625	54,135			529,760
Payroll deductions and withholdings payable	1,648,017				1,648,017
Interfunds payable		563,216	\$ 1,526,741	\$ 2,474,138	4,564,095
Total liabilities	2,627,232	990,811	1,526,741	2,474,138	7,618,922
Fund balances:					
Restricted for:					
Capital reserve	9,987,624				9,987,624
Emergency reserve	1,000,000				1,000,000
Excess fund balance - prior year designated for subsequent years	2,899,578				2,899,578
Excess fund balance-current year	1,882,516				1,882,516
Debt service				243,474	243,474
Capital projects			3,040,653		3,040,653
Unemployment compensation	543,357				543,357
Student activities		583,812			583,812
Assigned to:					
Designated for subsequent years' expenditures	1,989,474				1,989,474
Other purposes	672,811				672,811
Unassigned	3,258,502				3,258,502
Total fund balances	<u>22,233,862</u>	<u>583,812</u>	<u>3,040,653</u>	<u>243,474</u>	<u>26,101,801</u>
Total liabilities and fund balances	<u>\$ 24,861,094</u>	<u>\$ 1,574,623</u>	<u>\$ 4,567,394</u>	<u>\$ 2,717,612</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 \$230,783,989 and the accumulated depreciation/amortization is \$91,818,442.	138,965,547
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.	(1,271,835)
Deferred pension costs in governmental activities are not financial resources and are therefore not reported in the funds.	(114,775)
Losses arising from the issuance of refunding bonds that are a result of the difference in the carrying value of the refunded bonds and the new bonds are deferred and amortized over the life of the bonds	1,984,578
Net pension liability is not due and payable in the current period and therefore is not reported as a liability in the funds.	(20,905,021)
Accrued pension contributions for the June 30, 2023 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.	(2,642,600)
Long-term liabilities, including bonds payable, financed purchases, 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>(77,723,508)</u>
Net position of governmental activities	<u>\$ 64,394,187</u>

See accompanying notes to the basic financial statements.

Livingston Board of Education
Governmental Funds

Statement of Revenues, Expenditures and Changes in Fund Balances

Year ended June 30, 2023

	Major Funds				Total Governmental Funds
	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	
Revenues					
Local sources:					
Local tax levy	\$ 114,141,214			\$ 5,956,473	\$ 120,097,687
Tuition	235,117				235,117
Tuition from other LEA's	149,092				149,092
Transportation fees from individuals	422,919				422,919
Interest on investments	103,123		\$ 20,120		123,243
Investment income	114,595			37,653	152,248
Rental income	446,364				446,364
Miscellaneous	581,918	\$ 1,112,894			1,694,812
Total local sources	116,194,342	1,112,894	20,120	5,994,126	123,321,482
State sources	39,002,132	1,191,662		569,429	40,763,223
Federal sources	21,909	2,559,977			2,581,886
Total revenues	155,218,383	4,864,533	20,120	6,563,555	166,666,591
Expenditures					
Current:					
Instruction	58,136,847	3,224,448			61,361,295
Undistributed-current:					
Instruction	5,503,078				5,503,078
Attendance/social work	94,355				94,355
Health services	879,319				879,319
Support services	9,180,370	1,608,360			10,788,730
Improvement of instruction	2,650,159				2,650,159
School library	1,087,970				1,087,970
Instructional staff training	620,101				620,101
General administration	1,386,325				1,386,325
School administration	4,583,248				4,583,248
Required maintenance of plant services	1,337,062				1,337,062
Operation of plant	6,849,661				6,849,661
Student transportation	4,693,017				4,693,017
Central services	1,666,196				1,666,196
Administrative information technology	2,140,680				2,140,680
Unallocated benefits	20,750,860				20,750,860
On-behalf TPAF social security and pension contributions	30,105,959				30,105,959
Capital outlay	5,185,841	16,532			5,202,373
Charter Schools	104,351				104,351
Debt service:					
Principal				5,460,000	5,460,000
Interest				2,731,675	2,731,675
Total expenditures	156,955,399	4,849,340	-	8,191,675	169,996,414
(Deficiency) Excess of revenues (under) over expenditures	(1,737,016)	15,193	20,120	(1,628,120)	(3,329,823)
Other financing sources (uses):					
Financed purchases (non-budgeted)	2,045,000				2,045,000
Transfers in	20,120			1,563,063	1,583,183
Transfers out	(63,063)		(1,520,120)		(1,583,183)
Total other financing sources (uses)	2,002,057	-	(1,520,120)	1,563,063	2,045,000
Net change in fund balances	265,041	15,193	(1,500,000)	(65,057)	(1,284,823)
Fund balances, July 1	21,968,821	568,619	4,540,653	308,531	27,386,624
Fund balances, June 30	\$ 22,233,862	\$ 583,812	\$ 3,040,653	\$ 243,474	\$ 26,101,801

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, 2023

Total net change in fund balances - governmental funds (from B-2)		\$ (1,284,823)
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/amortization expense exceeded capital additions in the period.		
Capital additions	\$ 3,102,527	
Depreciation/amortization expense	<u>(7,132,515)</u>	(4,029,988)
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.		
		84,195
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	5,460,000	
Obligations under leases and financed purchases	<u>2,298,457</u>	7,758,457
Financed purchase proceeds provides current financial resources to governmental funds and has no effect on net position.		
	Principal portion	(2,045,000)
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	487,523	
Amortization of deferred loss on refunding of debt	<u>(186,430)</u>	301,093
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	3,162,207
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).		
		(164,705)
Change in net position of governmental activities (A-2)		<u>\$ 3,781,436</u>

Proprietary Fund

Livingston Board of Education
Proprietary Fund

Statement of Net Position

June 30, 2023

	Major Enterprise Fund
	Food Service
Assets	
Current assets:	
Cash and cash equivalents	\$ 417,302
Inventories	14,798
Total current assets	432,100
Non-current assets:	
Capital assets - depreciable:	
Equipment	339,923
Accumulated depreciation	(290,405)
Total capital assets, net	49,518
Total assets	481,618
Liabilities	
Current liabilities:	
Accounts payable	191,360
Unearned revenue	179,893
Purchase agreement payable	16,482
Total current liabilities	387,735
Net position	
Net investment in capital assets	33,036
Unrestricted	60,847
Total net position	\$ 93,883

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, 2023

	Major Enterprise Fund
	Food Service
Operating revenues:	
Local sources:	
Daily food sales	\$ 2,130,599
Total operating revenues	2,130,599
Operating expenses:	
Salaries	611,205
Employee benefits	102,855
Supplies and materials	114,278
Purchased property services	296,523
Other purchased services	6,375
Cost of sales	901,679
Depreciation	28,441
Management fee	61,950
Miscellaneous	6,557
Total operating expenses	2,129,863
Operating income	736
Nonoperating revenues:	
Interest	754
Total nonoperating revenues	754
Change in net position	1,490
Total net position-beginning	92,393
Total net position-ending	\$ 93,883

See accompanying notes to the basic financial statements.

Livingston Board of Education
Proprietary Fund

Statement of Cash Flows

Year ended June 30, 2023

	Major Enterprise Fund Food Service
Cash flows from operating activities	
Receipts from customers	\$ 2,133,654
Payments to employees and for employee benefits	(714,060)
Payments to suppliers	(1,322,485)
Net cash provided by operating activities	97,109
Cash flows from capital and related financing activity	
Payment of purchase agreement payable	(21,915)
Net cash used for capital and related financing activity	(21,915)
Cash flows from investing activity	
Interest received	754
Net cash provided by investing activity	754
Net increase in cash and cash equivalents	75,948
Cash and cash equivalents, beginning of year	341,354
Cash and cash equivalents, end of year	\$ 417,302
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	\$ 736
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	28,441
Change in assets and liabilities:	
Decrease in inventory	(4,880)
Increase in accounts payable	69,757
Increase in unearned revenue	3,055
Net cash provided by operating activities	\$ 97,109

See accompanying notes to the basic financial statements.

Livingston Board of Education

Notes to the Basic Financial Statements

Year ended June 30, 2023

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.

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.

Livingston Board of Education

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2023

1. Summary of Significant Accounting Policies (continued)

B. Government-Wide and Fund Financial Statements

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, except internal service 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.

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.

Livingston Board of Education

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2023

1. Summary of Significant Accounting Policies (continued)

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.

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

Livingston Board of Education

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2023

1. Summary of Significant Accounting Policies (continued)

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the District enterprise 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 control is established at line-item accounts within each fund. Line-item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referred in N.J.A.C. 6A:23. All budget amendments must be approved by School Board resolution. The over-

Livingston Board of Education

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2023

1. Summary of Significant Accounting Policies (continued)

expenditures related to on-behalf payments in the general fund are due to the inclusion of the non-budgeted on-behalf payments made by the State of New Jersey as District expenditures. These amounts are offset by related revenues and as such do not represent budgetary over-expenditures.

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

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.

F. Interfund Receivables/Payables

Interfund receivables/payables represent amounts that are owed to/from a particular fund in the District and that are due within one year.

Livingston Board of Education

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2023

1. Summary of Significant Accounting Policies (continued)

G. Inventories

Inventories that benefit future periods, other than those recorded in the enterprise fund, are recorded as an expenditure during the year of purchase. The food service enterprise fund inventories are valued at cost, which approximates fair value, using 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

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 assets are not shown on the governmental fund balance sheets.

Livingston Board of Education

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2023

1. Summary of Significant Accounting Policies (continued)

I. Accrued Salaries and Wages

Certain District employees who provided services to the District over the ten-month academic year have the option to have their salaries evenly disbursed during the entire twelve-month year. New Jersey statutes require that these earned but not disbursed amounts be retained in a separate bank account. The amount earned by these employees was disbursed prior to June 30, 2023.

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, 2023 amounted to \$186,430 and the remaining balance at June 30, 2023 is \$1,984,578.

L. Compensated Absences

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

Livingston Board of Education

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2023

1. Summary of Significant Accounting Policies (continued)

L. Compensated Absences (continued)

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

As of June 30, 2023, a liability existed for compensated absences in the government-wide financial statements in the amount of \$7,105,113.

M. Long-Term Obligations

In the government-wide financial statements and enterprise fund in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or enterprise fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method which approximates the effective interest method. Bonds payable are reported net of the applicable bond premiums or discounts.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

N. 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.

Livingston Board of Education

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2023

1. Summary of Significant Accounting Policies (continued)

N. Leases (continued)

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:

- 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.

Livingston Board of Education

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2023

1. Summary of Significant Accounting Policies (continued)

O. Fund Balances (continued)

- 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 \$22,233,862 of fund balance in the General Fund, \$9,987,624, has been restricted in the capital reserve account, \$1,000,000 has been restricted in an emergency reserve account, \$1,882,516 has been restricted for excess surplus-current year, \$2,899,578 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, \$672,811 of outstanding encumbrances is assigned to other purposes, \$1,989,474 is designated for subsequent years' expenditures, and \$3,258,502 is unassigned. There is \$583,812 of fund balances in the Special Revenue Fund at June 30, 2023, which is restricted for student activities. There is \$3,040,653 of fund balance in the Capital Projects Fund at June 30, 2023, which is restricted for capital projects. There is \$243,474 of fund balance at June 30, 2023 in the Debt Service Fund, of which \$142,758 has been budgeted for use in the 2023-24 budget.

Livingston Board of Education

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2023

1. Summary of Significant Accounting Policies (continued)

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 \$25,859,111 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.

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, 2023 was \$4,782,094. Of this amount, \$2,899,578 has been appropriated in the 2023-24 budget and the remaining \$1,882,516 will be appropriated in the 2024-25 budget.

Livingston Board of Education

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2023

1. Summary of Significant Accounting Policies (continued)

T. GASB Pronouncements

Recently Issued and Adopted Accounting Principles

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. Management has reviewed the requirements of GASB No. 96 and has implemented the Statement effective for the year ended June 30, 2023. The requirements of this Statement have been determined to have no impact 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 determined that the statement did not significantly impact 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 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, 2023 and February 9, 2024 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.

Livingston Board of Education

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2023

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 \$77,723,508 difference are as follows:

Bonds payable	\$ 59,200,000
Premium on bonds and leases	5,718,824
Financed purchases payable	4,460,910
Leases payable	1,238,661
Compensated absences	7,105,113
Net adjustment to reduce fund balance - total governmental funds to arrive at net position - governmental activities	<u>\$ 77,723,508</u>

3. Deposits and Investments

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

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

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

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

Livingston Board of Education

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2023

3. Deposits and Investments (continued)

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

Deposits

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

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

The market value of the collateral must equal at least 5% of the average daily balance of collected public funds on deposit.

In addition to the above collateral requirement, if the public funds deposited exceed 75% of the capital funds of the depository, the depository must provide collateral having a market value at least equal to 100% of the amount exceeding 75%.

All collateral must be deposited with the Federal Reserve Bank of New York, the Federal Reserve Bank of Philadelphia, the Federal Home Loan Bank of New York, or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.

Operating cash accounts are held in the District's name by several commercial banking institutions. At June 30, 2023, the carrying amount of the District's deposits was \$23,640,677 and the bank balance was \$26,026,042, not including \$2,532,927 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 \$24,150,612. \$1,625,429 held in the District agency accounts is not covered by GUDPA.

Livingston Board of Education

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2023

3. Deposits and Investments (continued)

Pursuant to GASB Statement No. 40, *Deposit and Investment Risk Disclosures* ("GASB 40"), the District's operating cash accounts are profiled in order to determine exposure, if any, to Custodial Credit Risk (risk that in the event of failure of the counterparty the District would not be able to recover the value of its deposits and investments). Deposits are considered to be exposed to Custodial Credit Risk if they are: uncollateralized (securities not pledged to the depositor), collateralized with securities held by the pledging financial institution, or collateralized with securities held by the financial institution's trust department or agent but not in the government's name.

The District does not have a policy for the management of custodial credit risk, other than depositing all of its funds in banks covered by GUDPA. At least five percent of the District's deposits were fully collateralized by funds held by the financial institution, but not in the name of the District. Due to the nature of GUDPA, further information is not available regarding the full amount that is collateralized.

Investments

New Jersey statutes permit the Board to purchase the following types of securities:

- a. Bonds and other obligations of the United States or obligations guaranteed by the United States.
- b. Bonds of any Federal Intermediate Credit Bank, Federal Home Loan Bank, Federal National Mortgage Agency or of any United States Bank for Cooperatives which have a maturity date not greater than twelve months from the date of purchase.
- c. New Jersey Cash Management Fund and New Jersey Asset and Rebate Management Fund.

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

The District has the following recurring fair value measurement as of June 30, 2023:

- Solar Renewable Energy Credits in the amount of \$114,595 are valued using quoted market prices (Level 1 inputs).

Livingston Board of Education

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2023

3. Deposits and Investments (continued)

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, 2023, all of the District's investments were invested in SRECs.

4. Capital Assets

The following schedule is a summarization of the governmental activities changes in capital assets for the year ended June 30, 2023:

	Beginning Balance	Increases	Ending Balance
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	2,902,913		2,902,913
Building and building improvements	195,190,899	\$ 717,260	195,908,159
Machinery, equipment and vehicles	24,506,098	2,385,267	26,891,365
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	224,428,199	3,102,527	227,530,726
Less accumulated depreciation / amortization for:			
Land improvements	(2,473,815)	(51,917)	(2,525,732)
Buildings and building improvements	(64,787,502)	(4,954,709)	(69,742,211)
Machinery, equipment and vehicles	(17,113,238)	(1,814,516)	(18,927,754)
Right to use assets - buildings	(131,545)	(131,545)	(263,090)
Right to use assets - equipment	(179,827)	(179,828)	(359,655)
Total accumulated depreciation/amortization	(84,685,927)	(7,132,515)	(91,818,442)
Total capital assets, being depreciated/amortized, net	139,742,272	(4,029,988)	135,712,284
Governmental activities capital assets, net	\$ 142,995,535	\$ (4,029,988)	\$ 138,965,547

Livingston Board of Education

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2023

4. Capital Assets (continued)

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

Current:	
Instruction	\$ 4,138,806
Undistributed-current:	
Instruction	371,181
Attendance/social work	6,364
Health services	59,310
Support services	727,698
Improvement of instruction	178,753
Other support: instruction staff	41,826
School library	73,383
General administration	93,507
School administration	309,139
Required maintenance of plant services	90,185
Operation of plant	462,008
Student transportation	316,543
Central services	112,385
Admin info technology	144,388
Total depreciation expense – governmental activities	\$ 7,132,515

The following is a summary of business-type activity changes in capital assets for the year ended June 30, 2023:

	Beginning Balance	Increases	Ending Balance
Business-type activity:			
Capital assets, being depreciated:			
Equipment	\$ 339,923		\$ 339,923
Less accumulated depreciation for:			
Equipment	(261,964)	\$ (28,441)	(290,405)
Business-type activity capital assets, net	\$ 77,959	\$ (28,441)	\$ 49,518

Livingston Board of Education

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2023

5. Long-Term Liabilities

During the year ended June 30, 2023, 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	\$ 6,940,407	\$ 552,363	\$ 387,657	\$ 7,105,113	\$ 430,761
Premium on bonds	6,146,043		460,721	5,685,322	413,107
Premium on leases	60,304		26,802	33,502	26,802
Serial bonds payable	64,660,000		5,460,000	59,200,000	5,190,000
Financed purchases payable	4,419,553	2,045,000	2,003,643	4,460,910	1,584,607
Leases payable	1,533,475		294,814	1,238,661	294,814
Subtotal	83,759,782	2,597,363	8,633,637	77,723,508	7,940,091
Net pension liability	16,861,044	4,043,977		20,905,021	
Governmental activities long-term liabilities	<u>\$100,620,826</u>	<u>\$ 6,641,340</u>	<u>\$8,633,637</u>	<u>\$98,628,529</u>	<u>\$ 7,940,091</u>

The debt service fund is utilized to liquidate the serial bonds payable. The general fund liquidates the liabilities associated with compensated absences, leases payable 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	\$ 38,397	\$ 21,915	\$ 16,482	\$ 16,482
Business-type activities long-term liabilities	<u>\$ 38,397</u>	<u>\$ 21,915</u>	<u>\$ 16,482</u>	<u>\$ 16,482</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, 2023

5. Long-Term Liabilities (continued)

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

	Principal	Interest	Total
Year ending June 30:			
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	4,580,000	1,636,675	6,216,675
2029-2033	19,625,000	5,631,138	25,256,138
2034-2037	14,960,000	1,568,200	16,528,200
	\$59,200,000	\$17,504,900	\$76,704,900

At June 30, 2023, there are no bonds and notes authorized but not issued. Bonds payable at June 30, 2023 are comprised of the following issues:

\$8,500,000, 2013 school bonds due in annual installments ranging from \$650,000 to \$700,000 through August 2028 at an interest rate of 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%.

Financed Purchases Payable

The District has remaining financed purchases payable totaling \$4,460,910 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, 2023:

Year Ended June 30,	Principal	Interest	Total
2024	\$ 1,584,607	\$ 92,014	\$ 1,676,621
2025	918,672	59,750	978,422
2026	812,546	41,819	854,365
2027	713,353	26,554	739,907
2028	431,732	12,002	443,734
Total	\$ 4,460,910	\$ 232,139	\$ 4,693,049

Livingston Board of Education

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2023

5. Long-Term Liabilities (continued)

Leases Payable

The District has remaining leases payable totaling \$1,238,661 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, 2023:

Year Ended June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	120,905	10,633	131,538
2029-2031	<u>346,119</u>	<u>14,004</u>	<u>360,123</u>
Total	<u>\$ 1,238,661</u>	<u>\$ 93,557</u>	<u>\$ 1,332,218</u>

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, 2023 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>(13,024,754)</u>
Total	<u>\$ 5,899,641</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, 2023:

Fiscal Year:	<u>Amount</u>
2024	<u>\$ 16,482</u>
Total purchase agreement payable	<u>\$ 16,482</u>

Livingston Board of Education

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2023

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, 2023

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, 2023, 2022, and 2021, employee contributions to DCRP were \$59,553, \$57,111, and \$227, respectively. Employer contributions for the years ended June 30, 2023, 2022, and 2021 were \$43,380, \$42,054, and \$167,704, respectively.

Livingston Board of Education

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2023

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, 2023, the State of New Jersey contributed \$25,859,111 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 \$4,246,848 during the year ended June 30, 2023 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, 2023, 2022, and 2021 were \$1,746,841, \$1,666,842, and \$1,584,185, 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, 2023

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, 2023, the District reported a liability of \$20,905,021 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation July 1, 2021, which was rolled forward to June 30, 2022. 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, 2022, the District's proportion was 0.1385229563 percent, which was a decrease of 0.0038063842 percent from its proportion measured as of June 30, 2022.

For the year ended June 30, 2023, the District recognized full accrual pension benefit of (\$3,162,207) in the government-wide financial statements. At June 30, 2023, 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	\$ 64,770	\$ 3,130,309
Difference between expected and actual experience	150,883	133,057
Changes in proportion	338,550	
Net difference between projected and actual earnings on pension plan investments	865,240	
Changes in proportion and differences between District contributions and proportionate share of contributions		913,452
District contributions subsequent to the measurement date	2,642,600	
	\$ 4,062,043	\$ 4,176,818

Livingston Board of Education

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2023

6. Pension Plans (continued)

\$2,642,600 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:	
2024	\$ (1,856,466)
2025	(1,102,161)
2026	(654,696)
2027	862,978
2028	(7,029)
	\$ (2,757,375)

Actuarial Assumptions

The collective total pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. 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, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021. 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, 2023

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, 2022) 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, 2022 are summarized in the following table:

Livingston Board of Education

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2023

6. Pension Plans (continued)

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. equity	27.00%	8.12%
Non-U.S. developed markets equity	13.50%	8.38%
Emerging markets equity	5.50%	10.33%
Private equity	13.00%	11.80%
Real assets	3.00%	7.60%
Real estate	8.00%	11.19%
High yield	2.00%	4.95%
Private credit	8.00%	8.10%
Investment grade credit	8.00%	3.38%
Cash equivalents	4.00%	1.75%
U.S. Treasuries	5.00%	1.75%
Risk mitigation strategies	3.00%	4.91%
	100.00%	

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. 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, 2022 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, 2023

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	\$ 26,856,828	\$ 20,905,021	\$ 15,839,793

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, 2022 are as follows:

Deferred outflows of resources	\$ 1,660,772,008
Deferred inflows of resources	\$ 3,236,303,935
Net pension liability	\$ 15,219,184,920
 District's Proportion	 0.1385229563%

Collective pension benefit for the Local Group for the measurement period ended June 30, 2022 is \$1,032,778,934.

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, 2022, 2021, 2020, 2019, 2018, 2017, 2016, 2015 and 2014 is 5.16, 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, 2023

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, 2022 was \$250,216,210. The District's proportionate share was \$0.

The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. 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, 2022, the State's proportionate share of the TPAF net pension liability associated with the District was 0.4849676192 percent, which was a decrease of 0.0026471353 percent from its proportion measured as of June 30, 2021.

For the year ended June 30, 2023, the District recognized on-behalf pension expense and revenue in the government-wide financial statements of (\$8,352,422) 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, 2023

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, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

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, 2022) 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, 2022 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. equity	27.00%	8.12%
Non-U.S. developed markets equity	13.50%	8.38%
Emerging markets equity	5.50%	10.33%
Private equity	13.00%	11.80%
Real assets	3.00%	11.19%
Real estate	8.00%	7.60%
High yield	2.00%	4.95%
Private credit	8.00%	8.10%
Investment grade credit	8.00%	3.38%
Cash equivalents	4.00%	1.75%
U.S. treasuries	5.00%	1.75%
Risk mitigation strategies	3.00%	4.91%
	100.00%	

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. 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, 2023

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, 2022, 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	\$ 293,383,823	\$ 250,216,210	\$ 213,852,920

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, 2022 are as follows:

Deferred outflows of resources	\$ 4,996,491,160
Deferred inflows of resources	\$ 19,532,696,776
Net pension liability	\$ 51,594,415,806
District's Proportion	0.4849676192%

Livingston Board of Education

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2023

6. Pension Plans (continued)

Collective pension expense-Local Group for the plan for the measurement period ended June 30, 2022 is \$1,424,884,581.

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, 2022, 2021, 2020, 2019, 2018, 2017, 2016, 2015, and 2014 is 7.83, 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, 2023

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 2022 total OPEB liability of \$50,646,462,966 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, 2023, 2022, and 2021 were \$5,378,148, \$4,730,312, and \$4,526,542, 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, 2023

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, 2022:

		<u>Total OPEB Liability</u>
Beginning Total OPEB Liability June 30, 2021	\$	225,096,503
Changes for the year		
Service Cost		10,875,033
Interest		5,169,206
Difference between expected and actual experience		11,197,084
Changes in assumptions or other inputs		(52,325,588)
Member contributions		164,260
Benefit payments		(5,120,251)
Net Changes		<u>(30,040,256)</u>
Ending Total OPEB Liability June 30, 2022	\$	<u>195,056,247</u>

Employees covered by benefit terms

The following employees were covered by the benefit terms:

<u>Local Education Group</u>	<u>June 30, 2022</u>
Active Plan Members	213,148
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	151,669
Inactive Plan Members Entitled to but Not Receiving Benefits	-
Total Plan Members	<u>364,817</u>

Livingston Board of Education

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2023

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, 2022 was \$195,056,247. 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, 2022 was determined by an actuarial valuation as of June 30, 2021, which was rolled forward to June 30, 2022 and included in the June 30, 2022 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:		
Price	2.75%	2.75%
Wage	3.25%	3.25%
Salary increases:	2.75-4.25%	2.75-6.55%
	based on years of service	based on years of service
Investment rate of return	7.00%	7.00%

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-2021. 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-2021. 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-2021.

Livingston Board of Education

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2023

7. Post-Retirement Benefits (continued)

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of the actual experience studies for the periods July 1, 2018 – June 30, 2021 for TPAF and PERS.

Discount Rate - The discount rate for June 30, 2022 was 3.54%. 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 6.25% and decreases to a 4.50% long-term trend rate after eight years. For post-65 medical benefits, the trend is initially -1.99% in fiscal year 2023, increasing to 13.44% in fiscal year 2026 and decreases to 4.5% in fiscal year 2033. For HMO the trend is initially -3.54% in fiscal year 2023, increasing to 15.19% in fiscal year 2026 and decreases to 4.50% in 2033. For prescription drug benefits, the initial trend rate is 8.00% and decreases to a 4.50% long-term trend rate after eight 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, 2022 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 (2.54%) or 1-percentage-point higher (4.54%) than the current discount rate:

	At 1% decrease (2.54%)	At current discount rate (3.54%)	At 1% increase (4.54%)
Total OPEB Liability (Allocable to the District and the responsibility of the State)	\$ 229,268,100	\$ 195,056,247	\$ 167,637,157

The following presents the non-employer OPEB liability associated with the District as of June 30, 2022 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:

Livingston Board of Education

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2023

7. Post-Retirement Benefits (continued)

	At 1% decrease	Healthcare Cost Trend Rates	At 1% increase
Total OPEB Liability (Allocable to the District and the responsibility of the State)	\$ 161,225,911	\$ 195,056,247	\$ 239,494,448

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

For the year ended June 30, 2023, the District recognized on-behalf OPEB expense and revenue in the government-wide financial statements of \$7,911,376 for OPEB expenses incurred by the State.

Collective balances of the Education Group at June 30, 2022 are as follows:

Deferred outflows of resources	\$ 20,104,625,333
Deferred inflows of resources	\$ 34,996,842,046
Collective OPEB expense	\$ 1,595,653,562
District's Proportion	0.39%

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, 2023 is as follows:

Fund	Interfund Receivable	Interfund Payable
General Fund	\$ 3,064,095	
Special Revenue Fund		\$ 563,216
Capital Projects Fund		1,526,741
Debt Service Fund	1,500,000	2,474,138
	\$ 4,564,095	\$ 4,564,095

Livingston Board of Education

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2023

8. Interfund Receivables and Payables (continued)

The interfund of \$563,216 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 \$1,526,741 between the capital projects fund and the general and debt service funds represent interest earned in the capital projects fund that has not been turned over to the general fund at June 30, 2023 and unused funds transferred back to debt service for future years' use. 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 interest portion of capital interfunds includes prior year and current year interest.

The interfund of \$2,474,138 between the debt service and general funds represents debt service payments paid with the general fund cash. As noted above, the \$1,500,000 of unused funds are to be transferred back from capital projects for future use.

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, 2023 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, 2023

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
2022-23		\$ 543,357
2021-22	\$ 505	543,357
2020-21	568	542,852

12. Transfers – Reconciliation

The following represents transfers between funds during the year ended June 30, 2023:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 20,120	\$ 63,063
Capital Projects Fund		1,520,120
Debt Service Fund	1,563,063	
	<u>\$ 1,583,183</u>	<u>\$ 1,583,183</u>

Livingston Board of Education

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2023

12. Transfers – Reconciliation(continued)

The transfer from the capital projects fund to the general fund represents interest earned. New Jersey statutes require that interest earned on the investments in the capital projects fund be credited to the general or debt service fund. The transfer from the general fund to the debt service fund represents earnings from SRECs recorded in the general fund that were transferred to the debt service fund where the revenue was budgeted. The transfer from the capital projects fund to the debt service fund represents unused monies returned back to the debt service fund for future use.

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, 2022 to June 30, 2023 fiscal year is as follows:

Beginning balance, July 1, 2022	\$ 8,948,473
Withdrawals	(516,860)
Deposit per June 2023 resolution	1,556,011
Ending balance, June 30, 2023	<u>\$ 9,987,624</u>

The June 30, 2023 capital reserve balance does not exceed local support costs identified in the District's Long Range Facility Plan at June 30, 2023. The District has budgeted \$2,228,638 capital reserve funds for use in the District's 2023-24 fiscal year.

Livingston Board of Education

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2023

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.

At June 30, 2023 and 2022, the District had \$1,000,000 set aside in an emergency reserve account.

15. Commitments

The District has \$672,811 in commitments to vendors that are reported in the balance sheet of the general fund as assigned to other purposes.

16. GASB 77 Tax Abatements

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

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

For the 2023 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 \$572,952, resulting in a reduction of taxes collected by the Township of \$572,952. A portion of this would have been allocated to the District.

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 Employees' Retirement System
 Required Supplementary Information
 Last Ten Fiscal Years

	Year ended June 30,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
District's proportion of the net pension liability (asset) - Local Group	0.1385229563%	0.1423293405%	0.1448132577%	0.1443731008%	0.1387261505%	0.1388277676%	0.1342613886%	0.1263054356%	0.1261425514%	0.1325548871%
District's proportionate share of the net pension liability (asset)	\$ 20,905,021	\$ 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
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
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	144.15%	168.74%	230.30%	256.93%	275.14%	338.15%	425.06%	328.24%	276.07%	292.82%
Plan fiduciary net position as a percentage of the total pension liability - Local Group	62.91%	70.33%	58.32%	56.27%	53.60%	48.10%	40.14%	47.93%	52.08%	48.72%

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,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 1,746,841	\$ 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
Contributions in relation to the contractually required contribution	(1,746,841)	(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)
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	\$ 14,707,908	\$ 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
Contributions as a percentage of covered payroll	11.88%	11.49%	15.85%	13.70%	13.63%	12.96%	12.48%	12.01%	12.57%	12.16%

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,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
State's proportion of the net pension liability (asset) associated with the District - Local Group	0.4849676192%	0.4876147545%	0.4950292121%	0.4923582618%	0.4826921006%	0.4700542605%	0.4547057578%	0.4577869858%	0.4317288047%	0.4492756174%
District's proportionate share of the net pension liability (asset)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability (asset) associated with the District	\$ 250,216,210	\$ 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
Total proportionate share of the net pension liability (asset) associated with the District	<u>\$ 250,216,210</u>	<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>
Plan fiduciary net position as a percentage of the total pension liability	32.29%	35.52%	24.60%	26.95%	26.49%	25.41%	27.96%	28.71%	33.64%	33.76%

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*

M-1

	Year Ended June 30,						
	2023	2022	2021	2020	2019	2018	2017
State's proportion of the net OPEB liability (asset) associated with the District -	0.39%	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	\$ 195,056,247	\$ 225,096,503	\$ 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>\$ 195,056,247</u>	<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>	<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%	0.00%
Total OPEB Liability	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017**</u>
Service cost	\$ 10,875,033	\$ 12,523,876	\$ 6,882,558	\$ 6,507,141	\$ 7,057,004	\$ 8,516,952	
Interest cost	5,169,206	5,839,240	5,630,788	6,737,011	7,135,055	6,149,498	
Differences between expected and actual experience	11,197,084	(40,264,133)	41,161,708	(24,699,104)	(14,853,146)	-	
Changes in assumptions	(52,325,588)	(17,513)	45,934,094	2,327,485	(19,494,428)	(25,317,771)	
Member contributions	164,260	149,281	132,691	142,044	156,996	165,818	
Gross benefit payments	(5,120,251)	(4,599,686)	(4,377,806)	(4,791,848)	(4,542,495)	(4,503,173)	
Net change in the total OPEB liability	<u>(30,040,256)</u>	<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>225,096,503</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>	
Total OPEB liability - ending	<u>\$ 195,056,247</u>	<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>\$ 73,616,106</u>	<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	264.96%	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, 2023

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

There were none.

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 2.16% as of June 30, 2021 to 3.54% as of June 30, 2022.

Required Supplementary Information
Part III

Budgetary Comparison Schedules

Livingston Board of Education
General Fund

Budgetary Comparison Schedule
(Budgetary Basis)

Year ended June 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenues					
Local sources:					
Local tax levy	\$ 114,141,214		\$ 114,141,214	\$ 114,141,214	
Tuition	12,500		12,500	235,117	\$ 222,617
Tuition from other LEA's	120,000		120,000	149,092	29,092
Transportation fees from individuals	300,000		300,000	422,919	122,919
Interest on investments	50,000		50,000	103,123	53,123
Rental income	300,000		300,000	446,364	146,364
Miscellaneous	255,000		255,000	581,918	326,918
Total - local sources	115,178,714		115,178,714	116,079,747	901,033
State sources:					
Extraordinary aid	300,000		300,000	1,585,231	1,285,231
TPAF - post retirement medical (on behalf - non-budgeted)				5,378,148	5,378,148
Teachers' pension and annuity fund (on behalf-non-budgeted)				20,472,775	20,472,775
Reimbursed TPAF social security (non-budgeted)				4,246,848	4,246,848
TPAF - long-term disability insurance (non-budgeted)				8,188	8,188
Additional nonpublic transportation aid				67,616	67,616
Transportation aid	1,303,530		1,303,530	1,303,530	
Security aid	434,880		434,880	434,880	
Categorical Special Education aid	5,630,399		5,630,399	5,630,399	
Lead Testing Reimbursement				18,741	18,741
Total - state sources	7,668,809		7,668,809	39,146,356	31,477,547
Federal Sources:					
Medical Assistance	89,899		89,899	21,909	(67,990)
Total - federal sources	89,899		89,899	21,909	(67,990)
Total revenues	122,937,422		122,937,422	155,248,012	32,310,590
Expenditures					
Current expenditures:					
Instruction - regular programs:					
Salaries of teachers:					
Preschool	31,153	\$ 28,535	59,688	59,686	2
Kindergarten	1,879,546	(311,001)	1,568,545	1,568,545	
Grades 1-5	12,075,183	(402,847)	11,672,336	11,672,336	
Grades 6-8	9,392,167	159,618	9,551,785	9,551,785	
Grades 9-12	14,501,996	99,344	14,601,340	14,601,340	
Home instruction:					
Salaries of teachers	150,000	(66,788)	83,212	82,812	400
Purchased professional-educational services	50,000	39,612	89,612	89,516	96
Undistributed instruction:					
Other salaries for instruction	522,434	173,389	695,823	695,683	140
Purchased professional-educational services	87,500	(16,155)	71,345	69,065	2,280
Purchased technical services	1,500	(1,500)			
Other purchased services	740,263	5,966	746,229	726,026	20,203
General supplies	1,155,868	(190,570)	965,298	899,751	65,547
Textbooks	365,449	(29,649)	335,800	332,577	3,223
Other objects	15,198	(7,467)	7,731	6,124	1,607
Total instruction - regular programs	40,968,257	(519,513)	40,448,744	40,355,246	93,498

Livingston Board of Education
General Fund

Budgetary Comparison Schedule
(Budgetary Basis)

Year ended June 30, 2023

	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	\$ 535,133	\$ (9,954)	\$ 525,179	\$ 524,430	\$ 749
Other salaries for instruction	4,059,835	164,182	4,224,017	4,223,849	168
General supplies	5,000		5,000	5,000	
Total learning and/or language disabilities	4,599,968	154,228	4,754,196	4,753,279	917
Multiple Disabilities:					
Salaries of Teachers	246,712	(494)	246,218	246,143	75
Other salaries for instruction	1,649,619	(103,783)	1,545,836	1,545,157	679
Purchased prof-ed. services		2,100	2,100	2,100	
Other purchased services		1,480	1,480	1,004	476
General supplies	19,380	12,728	32,108	30,488	1,620
Total multiple disabilities	1,915,711	(87,969)	1,827,742	1,824,892	2,850
Resource room/center:					
Salaries of teachers	5,943,378	(195,608)	5,747,770	5,745,766	2,004
General supplies	15,200	1,636	16,836	16,270	566
Total resource room/center	5,958,578	(193,972)	5,764,606	5,762,036	2,570
Preschool disabilities - part time:					
Salaries of teachers	277,038	(134,060)	142,978	142,529	449
Other salaries for instruction	153,860	53,130	206,990	206,376	614
Purchased prof-ed. services	15,000	(5,000)	10,000	9,355	645
General supplies	12,000	(17)	11,983	10,713	1,270
Total preschool disabilities - part time	457,898	(85,947)	371,951	368,973	2,978
Preschool disabilities - full time:					
Salaries of teachers	55,600	46,919	102,519	102,475	44
Total preschool disabilities-full time	55,600	46,919	102,519	102,475	44
Total special education	12,987,755	(166,741)	12,821,014	12,811,655	9,359
Bilingual education:					
Salaries of teachers	733,903	(51,507)	682,396	682,328	68
Total bilingual education	733,903	(51,507)	682,396	682,328	68
Basic skills/remedial instruction:					
Salaries of teachers	1,444,203	25,000	1,469,203	1,468,798	405
Purchased prof-ed. services	10,000	5,000	15,000	14,750	250
General supplies	16,000	(11,340)	4,660	4,610	50
Total basic skills/remedial instruction	1,470,203	18,660	1,488,863	1,488,158	705
Vocational programs - local instruction:					
Salaries of teachers	45,028		45,028	45,027	1
Other purchased services	4,000	(4,000)			
General supplies	5,000		5,000	3,922	1,078
Other objects	500		500	298	202
Total vocational programs - local instruction	54,528	(4,000)	50,528	49,247	1,281

Livingston Board of Education
General Fund

Budgetary Comparison Schedule
(Budgetary Basis)

Year ended June 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Expenditures (continued)					
Current expenditures (continued):					
School - sponsored cocurricular activities:					
Salaries	\$ 539,610	\$ (62,104)	\$ 477,506	\$ 477,408	\$ 98
Purchased services	16,565	(5,030)	11,535	1,535	10,000
Supplies and materials	32,200		32,200	29,564	2,636
Other objects	29,912	(14,435)	15,477	5,338	10,139
Total school - sponsored cocurricular activities	618,287	(81,569)	536,718	513,845	22,873
School - sponsored athletics - instruction:					
Salaries	1,033,297	(3,086)	1,030,211	1,030,117	94
Purchased services	148,781	1,367	150,148	127,494	22,654
Supplies and materials	103,160	17,945	121,105	111,111	9,994
Total school - sponsored athletics - instruction	1,285,238	16,226	1,301,464	1,268,722	32,742
Other instructional programs:					
Purchased services	45,000	(10,000)	35,000	32,095	2,905
Total other instructional programs	45,000	(10,000)	35,000	32,095	2,905
Other supplemental/at-risk programs-instruction:					
Salaries of reading specialists	1,116,697	(180,969)	935,728	935,552	176
Total other supplemental/at-risk programs-instruction	1,116,697	(180,969)	935,728	935,552	176
Total instruction	59,279,868	(979,413)	58,300,455	58,136,847	163,608
Undistributed expenditures:					
Instruction:					
Tuition to other LEAs within the state-special	389,166	(110,000)	279,166	278,253	913
Tuition to co. voc. School dist. - special		575	575		575
Tuition to private school for the disabled - within state	4,622,186	48,575	4,670,761	4,639,747	31,014
Tuition to priv sch for the disabled & oth LEAs-Spl, O/S St	609,880	(19,000)	590,880	585,078	5,802
Total undistributed instruction	5,621,232	(79,850)	5,541,382	5,503,078	38,304
Attendance and social work services:					
Salaries	135,968	(41,610)	94,358	94,355	3
Total attendance and social work services	135,968	(41,610)	94,358	94,355	3
Health services:					
Salaries	897,582	(52,468)	845,114	845,069	45
Purchased prof. & tech. services		7,332	7,332	7,332	
Supplies and materials	39,408	(10,062)	29,346	26,918	2,428
Total health services	936,990	(55,198)	881,792	879,319	2,473

Livingston Board of Education
General Fund

Budgetary Comparison Schedule
(Budgetary Basis)

Year ended June 30, 2023

	<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	\$1,119,903	\$(89,733)	\$1,030,170	\$1,029,781	\$ 389
Purchased professional - educational services	377,866	27,925	405,791	405,623	168
Supplies and materials	11,800	97	11,897	10,408	1,489
Total speech, OT, PT & related services	<u>1,509,569</u>	<u>(61,711)</u>	<u>1,447,858</u>	<u>1,445,812</u>	<u>2,046</u>
Other support services - students - extra services:					
Purchased professional - educational services	967,881	164,705	1,132,586	1,132,327	259
Total other support services - students - extra services	<u>967,881</u>	<u>164,705</u>	<u>1,132,586</u>	<u>1,132,327</u>	<u>259</u>
Guidance:					
Salaries of other professional staff	2,238,412	22,040	2,260,452	2,260,343	109
Salaries of secretarial and clerical assistants	248,001	(54,112)	193,889	193,528	361
Purchased prof. - ed. Services		750	750	750	
Other purchased professional and tech services	13,727	(13,302)	425	372	53
Other purchased services	700	461	1,161	461	700
Supplies and materials	32,200	(7,116)	25,084	20,664	4,420
Other objects		225	225	225	
Total guidance	<u>2,533,040</u>	<u>(51,054)</u>	<u>2,481,986</u>	<u>2,476,343</u>	<u>5,643</u>
Child study teams:					
Salaries of other professional staff	3,470,277	285,309	3,755,586	3,744,642	10,944
Salaries of secretarial and clerical assistants	286,496	44,783	331,279	331,124	155
Purchased professional - educational services	117,319	(105,000)	12,319	12,319	
Other purchased prof. and tech. services	32,303	(22,625)	9,678	9,678	
Other purchased serv.	8,000	(5,030)	2,970	1,451	1,519
Supplies and materials	20,000	5,350	25,350	25,350	
Other objects	8,000	(5,712)	2,288	1,324	964
Total child study teams	<u>3,942,395</u>	<u>197,075</u>	<u>4,139,470</u>	<u>4,125,888</u>	<u>13,582</u>
Improvement of instructional services:					
Salaries of supervisors of instruction	1,974,202	31,566	2,005,768	2,005,023	745
Salaries of other professional staff	296,383	(2,610)	293,773	293,446	327
Salaries of secretaries and clerical assistants	300,815	8,952	309,767	309,753	14
Purchased professional - educational services	25,500	(91)	25,409	24,408	1,001
Supplies and materials	18,500	(709)	17,791	14,016	3,775
Other objects	10,425	(6,700)	3,725	3,513	212
Total improvement of instructional services	<u>2,625,825</u>	<u>30,408</u>	<u>2,656,233</u>	<u>2,650,159</u>	<u>6,074</u>

Livingston Board of Education
General Fund

Budgetary Comparison Schedule
(Budgetary Basis)

Year ended June 30, 2023

	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	\$ 1,076,633	\$ (129,496)	\$ 947,137	\$ 946,826	\$ 311
Other purchased services	4,700	1,738	6,438	5,195	1,243
Supplies and materials	164,998	(23,387)	141,611	135,949	5,662
Total educational media services/school library	1,246,331	(151,145)	1,095,186	1,087,970	7,216
Instructional staff training services:					
Salaries of supervisors of instruction	493,551	(1,254)	492,297	490,831	1,466
Purchased professional - educational services	85,000	23,800	108,800	91,850	16,950
Other purchased services	73,464	(9,035)	64,429	22,370	42,059
Supplies and materials	17,353	(2,896)	14,457	14,435	22
Other objects	4,275		4,275	615	3,660
Total instructional staff training services	673,643	10,615	684,258	620,101	64,157
Support services-general administration:					
Salaries	431,927	16,594	448,521	448,147	374
Legal services	200,000	106,397	306,397	305,866	531
Audit services	62,000	4,500	66,500	66,250	250
Other purchased prof. services	20,000	84,924	104,924	70,732	34,192
Purchased technical services	10,000	(1,100)	8,900	8,849	51
Communications/telephone	225,000	(83,260)	141,740	141,710	30
BOE other purchased services	1,000	(800)	200	149	51
Travel		2,500	2,500	2,093	407
Miscellaneous purchased services	239,600	29,500	269,100	267,731	1,369
General supplies	36,260	(20,083)	16,177	12,469	3,708
BOE In-house training		331	331	160	171
Miscellaneous expenditures	72,000	(9,429)	62,571	62,169	402
Total support services-general administration	1,297,787	130,074	1,427,861	1,386,325	41,536
Support services-school administration:					
Salaries of principals/ assistant principals	2,006,989	30,650	2,037,639	2,037,168	471
Salaries of other professional staff	577,596	(35,188)	542,408	541,865	543
Salaries of secretarial and clerical assistants	1,463,271	110,182	1,573,453	1,573,332	121
Purchased professional and technical	48,000	(21,892)	26,108	23,808	2,300
Other purchased services	64,000	(15,988)	48,012	38,611	9,401
Supplies and materials	430,428	(39,722)	390,706	367,714	22,992
Other Objects		757	757	750	7
Total support services-school administration	4,590,284	28,799	4,619,083	4,583,248	35,835
Required maintenance for school facilities:					
Salaries	947,204	28,005	975,209	952,040	23,169
Cleaning, repair and maintenance services	261,120	3,868	264,988	252,673	12,315
General supplies	142,800	(1,026)	141,774	128,779	12,995
Other objects	50,000	(44,652)	5,348	3,570	1,778
Total required maintenance for school facilities	1,401,124	(13,805)	1,387,319	1,337,062	50,257

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

Year ended June 30, 2023

	<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):					
Operation and maintenance of plant services-					
Custodial services:					
Salaries	\$2,885,040	\$ (126,169)	\$2,758,871	\$2,757,890	\$ 981
Purchased professional and technical services	40,800	13,647	54,447	38,816	15,631
Cleaning, repair and maintenance services	107,100	21,106	128,206	126,845	1,361
Rental of land and bldg. other than lease purch. agreements	142,781	4,999	147,780	146,190	1,590
Other purchased property services	71,400	18,777	90,177	89,837	340
Insurance	670,000	19,338	689,338	688,729	609
General supplies	714,000	87,406	801,406	798,052	3,354
Energy (Natural Gas and Electricity)	1,525,000	274,444	1,799,444	1,795,679	3,765
Other Objects	238,365	(237,725)	640	320	320
Total custodial services	6,394,486	75,823	6,470,309	6,442,358	27,951
Operation and maintenance of plant services-					
care and upkeep of grounds:					
Salaries	69,890		69,890	68,525	1,365
Total care and upkeep of grounds	69,890		69,890	68,525	1,365
Security:					
Salaries	350,688	(11,500)	339,188	338,778	410
Total security	350,688	(11,500)	339,188	338,778	410
Total operation and maintenance of plant services	8,216,188	50,518	8,266,706	8,186,723	79,983
Student transportation services:					
Salaries for pupil transportation:					
Salaries of non-instructional aides	204,760	(146,350)	58,410	58,000	410
Between home and school - regular	1,168,311	34,972	1,203,283	1,203,058	225
Other than bet. home & sch - regular	300,000	38,878	338,878	338,188	690
Contracted services:					
Other than bet. home & sch - vendors	177,870	(80,910)	96,960	86,699	10,261
Special ed stds - vendors	1,700,000	820,509	2,520,509	2,520,296	213
Aid in lieu of payments - nonpublic	180,000	24,136	204,136	203,312	824
General supplies	300,000	1,400	301,400	278,588	22,812
Other objects	7,000		7,000	4,876	2,124
Total student transportation services	4,037,941	692,635	4,730,576	4,693,017	37,559
Undistributed expenditures - central services:					
Salaries	1,260,059	(15,555)	1,244,504	1,244,006	498
Purchased professional services	164,000	2,207	166,207	165,497	710
Misc purch serv	27,000	92	27,092	26,392	700
Supplies and materials	70,000	68,143	138,143	135,099	3,044
Interest on lease purchase agreements	75,217	733	75,950	75,950	
Miscellaneous expenditures	6,000	13,252	19,252	19,252	
Total central services	1,602,276	68,872	1,671,148	1,666,196	4,952
Admin. info. tech.:					
Salaries	975,815	(85,659)	890,156	889,872	284
Purchased professional services	46,200	91,970	138,170	137,500	670
Purchased technical services	217,049	(22,756)	194,293	193,932	361
Other purchased services	630,257	198,854	829,111	807,007	22,104
Supplies and materials	49,900	70,715	120,615	112,045	8,570
Other objects		324	324	324	
Total admin. info. tech.	1,919,221	253,448	2,172,669	2,140,680	31,989

Livingston Board of Education
General Fund

Budgetary Comparison Schedule
(Budgetary Basis)
Year ended June 30, 2023

	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	\$ 1,610,000	\$ 97,010	\$ 1,707,010	\$ 1,707,010	
Other retirement contributions - PERS	1,720,000	29,155	1,749,155	1,749,155	
Other retirement contributions - Regular	150,000	(100,000)	50,000	38,816	11,184
Worker's compensation	500,000	42,479	542,479	542,479	
Unused sick payments		335,440	335,440	335,440	
Health benefits	16,681,431	(477,521)	16,203,910	16,203,910	
Other employee benefits		24,084	24,084	24,084	
Tuition reimbursement	154,690	(4,724)	149,966	149,966	
Total unallocated benefits	20,816,121	(54,077)	20,762,044	20,750,860	11,184
TPAF - post retirement medical (on behalf - non-budgeted)				5,378,148	(5,378,148)
Teacher's Pension and Annuity Fund (on behalf - non-budgeted)				20,472,775	(20,472,775)
TPAF - long-term disability insurance (non-budgeted)				8,188	(8,188)
Reimbursed TPAF social security (non-budgeted)				4,246,848	(4,246,848)
Total on-behalf payments				30,105,959	(30,105,959)
Total undistributed expenditures	62,672,692	1,132,504	63,805,196	93,528,360	(29,723,164)
Total expenditures - current	121,952,560	153,091	122,105,651	151,665,207	(29,559,556)
Capital outlay:					
Equipment:					
Regular programs - instruction:					
Grades 1-5	2,457	18,422	20,879	18,544	2,335
Grades 6-8	10,786	10,531	21,317	20,268	1,049
Grades 9-12		301,031	301,031	6,031	295,000
Special Education - Visual Impairments		8,191	8,191	8,191	
Undistributed expenditures:					
Instructional services		60,924	60,924	27,094	33,830
School administration		2,825	2,825	2,825	
Custodial services		17,789	17,789	17,789	
Noninstructional services	16,120	40,016	56,136	7,479	48,657
Security Grant - Alyssa's Law		70,415	70,415	70,415	
Total equipment	29,363	530,144	559,507	178,636	380,871
Facilities acquisition and construction services:					
Other purchased prof. & tech services		81,041	81,041	62,176	18,865
Financed purchase agreements-principal	2,003,644	183,052	2,186,696	2,180,297	6,399
Construction services	4,302,500	(428,502)	3,873,998	650,998	3,223,000
Other objects-assessment of debt service	68,734		68,734	68,734	
Total facilities acquisition and construction services	6,374,878	(164,409)	6,210,469	2,962,205	3,248,264
Financed purchase agreement (non-budgeted)				2,045,000	(2,045,000)
Total expenditures - capital outlay	6,404,241	365,735	6,769,976	5,185,841	1,584,135
Transfer of funds to charter schools	114,506	7,493	121,999	104,351	17,648
Total expenditures	128,471,307	526,319	128,997,626	156,955,399	(27,957,773)
(Deficiency)/excess of revenues (under)/over expenditures	(5,533,885)	(526,319)	(6,060,204)	(1,707,387)	4,352,817
Other financing sources/(uses):					
Assets acquired under financed purchases (non-budgeted)				2,045,000	2,045,000
Transfers in				20,120	20,120
Total other financing sources/(uses)				2,065,120	2,065,120
Change in fund balances	(5,533,885)	(526,319)	(6,060,204)	357,733	6,417,937
Fund balances, July 1	22,466,563		22,466,563	22,466,563	
Fund balances, June 30	\$ 16,932,678	\$ (526,319)	\$ 16,406,359	\$ 22,824,296	\$ 6,417,937

Livingston Board of Education
General Fund

Budgetary Comparison Schedule
(Budgetary Basis)

Year ended June 30, 2023

	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	\$ (1,933,885)		\$ (1,933,885)	\$ 4,484,052	\$ 6,417,937
Budgeted withdrawal from capital reserve	(3,600,000)		(3,600,000)	(3,600,000)	
Adjustment for prior year encumbrances		\$(526,319)	(526,319)	(526,319)	
Total	\$ (5,533,885)	\$(526,319)	\$ (6,060,204)	\$ 357,733	\$ 6,417,937
Recapitulation of fund balance:					
Restricted Fund Balance:					
Excess surplus restricted for subsequent years expenditures				\$ 2,899,578	
Excess surplus - current year				1,882,516	
Capital reserve				9,987,624	
Emergency reserve				1,000,000	
Unemployment compensation				543,357	
Assigned to:					
Designated for subsequent years' expenditures				1,989,474	
Year end encumbrances				672,811	
Unassigned fund balance				3,848,936	
				<u>22,824,296</u>	
Reconciliation to Governmental Funds Statements (GAAP):					
Last state aid payments not recognized on GAAP basis				(705,029)	
Solar Renewable Energy Credits (SREC) income				114,595	
Fund balance per Governmental Funds (GAAP)				<u>\$22,233,862</u>	

Livingston Board of Education
Special Revenue Fund

Budgetary Comparison Schedule
(Budgetary Basis)

Year ended June 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenues:					
State sources	\$ 1,293,946		\$ 1,293,946	\$ 1,242,862	\$ (51,084)
Federal sources	3,215,117		3,215,117	2,647,977	(567,140)
Other sources	41,495	\$ 1,071,337	1,112,832	1,112,894	62
Total revenues	4,550,558	1,071,337	5,621,895	5,003,733	(618,162)
Expenditures:					
Current expenditures:					
Instruction:					
Salaries	1,326,291		1,326,291	1,153,202	173,089
Other purchased services	864,159		864,159	800,142	64,017
Instructional supplies	373,712		373,712	249,763	123,949
Textbooks	52,140		52,140	43,283	8,857
Other objects	1,021,916		1,021,916	983,458	38,458
Total instruction	3,638,218		3,638,218	3,229,848	408,370
Support services:					
Benefits	153,808		153,808	152,144	1,664
Purchased professional and educational / technical services	335,102		335,102	259,399	75,703
Other purchased services	92,701		92,701	92,629	72
General supplies	48,122		48,122	47,975	147
Student activities		1,056,082	1,056,082	1,056,213	(131)
Total support services	629,733	1,056,082	1,685,815	1,608,360	77,455
Facilities acquisition and construction services:					
Instructional Equipment	132,275		132,275		132,275
Lease Purchase Payment Principal	150,332		150,332	150,332	
Total facilities acquisition and construction service	282,607		282,607	150,332	132,275
Total expenditures	4,550,558	1,056,082	5,606,640	4,988,540	618,100
Net change in fund balance	-	15,255	15,255	15,193	(62)
Fund balance, July 1	-	-	-	568,619	-
Fund balance, June 30	\$ -	\$ -	\$ -	\$ 583,812	\$ -

Livingston Board of Education
Note to Required Supplementary Information

Budget to GAAP Reconciliation

Year ended June 30, 2023

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

	General Fund	Special Revenue Fund
Sources/inflows of resources		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule (C-1, C-2)	\$ 155,248,012	\$ 5,003,733
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		(139,200)
State aid payments recognized for GAAP statements in the current year, not previously recognized.	(705,029)	
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).	560,805	
Adjustment to record the value of Solar Renewable Energy credits (SREC) income on the modified accrual basis.	114,595	
	\$ 155,218,383	\$ 4,864,533
Uses/outflows of resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule (C-1, C-2)	\$ 156,955,399	\$ 4,988,540
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		(139,200)
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (B-2)	\$ 156,955,399	\$ 4,849,340

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, 2023

	Nonpublic Aid										SDA Emergent Needs	
	Text- books	Technology	Security	Nursing	Corrective Speech	Compensatory Education	Supplementary Instruction	ESL	Home Instruction	Initial Examination		
Revenues:												
State sources	\$ 43,283	\$ 59,189	\$ 305,536	\$ 168,000	\$ 45,384	\$ 60,682	\$ 173,047	\$ 501	\$ 6,591	\$ 223,717	\$ 150,332	
Federal sources												
Local sources												
Total revenues	<u>\$ 43,283</u>	<u>\$ 59,189</u>	<u>\$ 305,536</u>	<u>\$ 168,000</u>	<u>\$ 45,384</u>	<u>\$ 60,682</u>	<u>\$ 173,047</u>	<u>\$ 501</u>	<u>\$ 6,591</u>	<u>\$ 223,717</u>	<u>\$ 150,332</u>	
Expenditures:												
Instruction:												
Salaries												
Other purchased services		\$ 59,189										
Instructional supplies												
Textbooks	\$ 43,283											
Other objects			\$ 305,536	\$ 168,000	\$ 45,384	\$ 60,682	\$ 173,047	\$ 501	\$ 6,591	\$ 223,717		
Total instruction	<u>43,283</u>	<u>59,189</u>	<u>305,536</u>	<u>168,000</u>	<u>45,384</u>	<u>60,682</u>	<u>173,047</u>	<u>501</u>	<u>6,591</u>	<u>223,717</u>		
Undistributed:												
Support services:												
Benefits												
Purchased professional and educational/ technical services												
Other purchased services												
General supplies												
Student activities												
Total support services												
Facilities acquisition and construction services:												
Lease Principal											\$ 150,332	
Total facilities acquisition and construction services											<u>150,332</u>	
Total expenditures	<u>43,283</u>	<u>59,189</u>	<u>305,536</u>	<u>168,000</u>	<u>45,384</u>	<u>60,682</u>	<u>173,047</u>	<u>501</u>	<u>6,591</u>	<u>223,717</u>	<u>150,332</u>	
Net change in fund balance	-	-	-	-	-	-	-	-	-	-	-	
Fund balance, July 1	-	-	-	-	-	-	-	-	-	-	-	
Fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	

Livingston Board of Education
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures –
Budgetary Basis
Year ended June 30, 2023

	ESEA				IDEA		COVID-19 Coronavirus State and Local Fiscal Recovery Funds	
	Title I A	Title II A	Title III	Title III Immigrant	Title IV	Part B Basic	Preschool	COVID-19 ASCERS
Revenues:								
State sources								
Federal sources	\$ 144,615	\$ 79,610	\$ 19,111	\$ 14,334	\$ 10,425	\$ 1,406,207	\$ 64,631	\$ 480,326
Local sources								
Total revenues	<u>\$ 144,615</u>	<u>\$ 79,610</u>	<u>\$ 19,111</u>	<u>\$ 14,334</u>	<u>\$ 10,425</u>	<u>\$ 1,406,207</u>	<u>\$ 64,631</u>	<u>\$ 480,326</u>
Expenditures:								
Instruction:								
Salaries	\$ 94,563	\$ 49,361		\$ 14,055		\$ 762,332	\$ 38,270	
Other purchased services						402,671		\$ 393,326
Instructional supplies			\$ 6,002	279				
Textbooks								
Other objects								
Total instruction	<u>94,563</u>	<u>49,361</u>	<u>6,002</u>	<u>14,334</u>		<u>1,165,003</u>	<u>38,270</u>	<u>393,326</u>
Undistributed:								
Support services:								
Benefits	50,052	25,174				76,918		
Purchased professional and educational/ technical services		5,075			\$ 10,425	164,286	26,361	
Other purchased services			5,629					87,000
General supplies			7,480					
Student activities								
Total support services	<u>50,052</u>	<u>30,249</u>	<u>13,109</u>		<u>10,425</u>	<u>241,204</u>	<u>26,361</u>	<u>87,000</u>
Facilities acquisition and construction services: Lease Principal								
Total facilities acquisition and construction services								
Total expenditures	<u>144,615</u>	<u>79,610</u>	<u>19,111</u>	<u>14,334</u>	<u>10,425</u>	<u>1,406,207</u>	<u>64,631</u>	<u>480,326</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>

Livingston Board of Education
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures –
Budgetary Basis

Year ended June 30, 2023

COVID-19 - Education Stabilization Fund

	Elementary and Secondary School Emergency Relief Fund ARP	Elementary and Secondary School Emergency Relief - Accelerated Learning Coaching	Elementary and Secondary School Emergency Relief Fund - Beyond School Day	Elementary and Secondary School Emergency Relief Mental Health Grant	COVID-19 CRRSA Mental Health Grant	Climate Awareness	NJSBAIG Grant	Cultivate Students	Student Activity/ Athletics Fund	Totals
Revenues:										
State sources						\$ 6,600				\$ 1,242,862
Federal sources	\$ 180,650	\$ 200,814	\$ 23,324	\$ 22,060	\$ 1,870		\$ 40,495	\$ 993	\$ 1,071,406	2,647,977
Local sources										1,112,894
Total revenues	\$ 180,650	\$ 200,814	\$ 23,324	\$ 22,060	\$ 1,870	\$ 6,600	\$ 40,495	\$ 993	\$ 1,071,406	\$ 5,003,733
Expenditures:										
Instruction:										
Salaries	\$ 127,398	\$ 19,969	\$ 23,324	\$ 22,060	\$ 1,870					\$ 1,153,202
Other purchased services						\$ 4,145				800,142
Instructional supplies		180,845				2,455		\$ 993		249,763
Textbooks										43,283
Other objects										983,458
Total instruction	127,398	200,814	23,324	22,060	1,870	6,600		993		3,229,848
Undistributed:										
Support services:										
Benefits										152,144
Purchased professional and educational/ technical services	53,252									259,399
Other purchased services										92,629
General supplies							\$ 40,495			47,975
Student activities									\$ 1,056,213	1,056,213
Total support services	53,252						40,495		1,056,213	1,608,360
Facilities acquisition and construction services:										
Lease Principal										150,332
Total facilities acquisition and construction services										150,332
Total expenditures	180,650	200,814	23,324	22,060	1,870	6,600	40,495	993	1,056,213	4,988,540
Net change in fund balance	-	-	-	-	-	-	-	-	15,193	15,193
Fund balance, July 1	-	-	-	-	-	-	-	-	568,619	568,619
Fund balance, June 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 583,812	\$ 583,812

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, 2023

	Current Year
Revenues and other financing sources	
Interest on investments	\$ 20,120
Total revenues	20,120
Other financing uses:	
Cancellation of project balances	(4,249,388)
Transfers out	(1,520,120)
Total other financing uses	(5,769,508)
Net change in fund balance	(5,749,388)
Fund Balance, July 1	8,790,041
Fund Balance, June 30	\$ 3,040,653

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, 2023

	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	105,596,000
Transfer from capital reserve	2,660,000		2,660,000	2,660,000
Transfer from capital outlay	480,382		480,382	480,382
	<u>132,595,193</u>		<u>132,595,193</u>	<u>\$ 132,595,193</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	\$ 1,500,000	1,568,496	
Cancellations		4,249,388	4,249,388	
Bond issuance costs	218,711		218,711	
Total expenditures and other financing uses	<u>123,805,152</u>	<u>5,749,388</u>	<u>129,554,540</u>	
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 8,790,041</u>	<u>\$ (5,749,388)</u>	<u>\$ 3,040,653</u>	
Referendums				
Bonds Authorized	\$ 105,596,000			
Bonds Issued	105,596,000			
Original Authorized Cost	\$ 139,006,042			
Additional Authorized Cost				
Cancellation of ABNI	(6,410,849)			
Revised Authorized Cost	<u>\$ 132,595,193</u>			

Livingston Board of Education
Capital Projects Fund

Summary Schedule of Project Expenditures
(Budgetary Basis)

Year ended June 30, 2023

Issue/Project Title	Appropriations	Expenditures to Date		Unexpended Balance
		Prior Years		
High school renovation-referendum	\$ 51,510,226	\$ 51,510,226		
Facility upgrades and HVAC	54,722,952	54,722,952		
Additions/renovations at Various Schools	16,754,390	16,383,254	\$	371,136
LHS Roof Part A	610,000	436,369		173,631
Solar Panels	8,687,905	6,192,019		2,495,886
	<u>\$ 132,285,473</u>	<u>\$ 129,244,820</u>	<u>\$</u>	<u>3,040,653</u>

Components of appropriations for referendum questions - high school renovations

Bonds authorized 6/15/06	\$ 8,000,000
Bonds authorized 10/9/07	43,510,226
	<u>\$ 51,510,226</u>

Components of appropriations - Facility upgrades and HVAC

NJ Schools Development Authority	\$ 23,490,923
Bonds authorized 12/14/09	28,643,479
Transfer from capital reserve	2,294,000
Transfer from capital outlay	294,550
	<u>\$ 54,722,952</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	\$ 16,754,390
	<u>\$ 16,754,390</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, 2023

Issue	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance June 30, 2022	Retired	Balance June 30, 2023
			Date	Amount				
School Refunding Bonds	3/11/10	\$ 12,405,000				\$ 475,000	\$ 475,000	
Renovations to Schools	10/1/13	8,500,000	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	4,650,000	650,000	\$ 4,000,000
Renovations to Schools	8/6/15	8,500,000	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	6,300,000	700,000	5,600,000
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	53,235,000	3,635,000	49,600,000			
			<u>\$ 64,660,000</u>	<u>\$ 5,460,000</u>	<u>\$ 59,200,000</u>			

Livingston Board of Education
Long-Term Debt

Schedule of Obligations Under Financed Purchases and Leases

Year ended June 30, 2023

Financed Purchases Payable

	Interest Rate	Amount of Original Issue	Balance June 30, 2022	Issued	Retired	Balance June 30, 2023
JP Morgan	0.98%	\$ 1,438,307	\$ 1,438,306		\$ 282,077	\$ 1,156,229
ECIA	4.00%-5.00%	2,441,000	999,000		765,000	234,000
TD Bank	0.93%	1,800,000	1,275,600		524,400	751,200
City National	1.61%	2,210,000	165,438		165,438	
TD Bank	2.90%	1,500,000	541,208		266,727	274,481
Truist Bank	2.78%	2,045,000		\$ 2,045,000		2,045,000
Total Financed Purchases Payable			\$ 4,419,552	\$ 2,045,000	\$ 2,003,642	\$ 4,460,910

Leases Payable

	Interest Rate	Amount of Original Issue	Balance June 30, 2022	Issued	Retired	Balance June 30, 2023
Township of Livingston	2.02%	\$ 1,705,811	\$ 1,064,835		\$ 119,075	\$ 945,760
Canon Business Solutions	0.00%	702,960	468,640		175,739	292,901
Total Leases Payable			1,533,475		294,814	1,238,661
Total Financed Purchases and Leases Payable			\$ 5,953,027	\$ 2,045,000	\$ 2,298,456	\$ 5,699,571

Livingston Board of Education
Debt Service Fund

Budgetary Comparison Schedule

Year ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance Final to Actual
Revenues:				
Local sources:				
Miscellaneous-sale of SREC's	\$ 165,773	\$ 165,773	\$ 37,653	\$ (128,120)
Local tax levy	5,956,473	5,956,473	5,956,473	
State sources:				
Debt service aid type II	569,429	569,429	569,429	
Total revenues	<u>6,691,675</u>	<u>6,691,675</u>	<u>6,563,555</u>	<u>(128,120)</u>
Expenditures:				
Interest on bonds	2,731,675	2,731,675	2,731,675	
Principal on bonds	5,460,000	5,460,000	5,460,000	
Total expenditures	<u>8,191,675</u>	<u>8,191,675</u>	<u>8,191,675</u>	
(Deficiency) of revenues (under) expenditures	<u>(1,500,000)</u>	<u>(1,500,000)</u>	<u>(1,628,120)</u>	<u>(128,120)</u>
Other financing sources:				
Transfers in	1,500,000	1,500,000	1,563,063	63,063
Total other financing sources	<u>1,500,000</u>	<u>1,500,000</u>	<u>1,563,063</u>	<u>63,063</u>
Net change in fund balances			(65,057)	(65,057)
Fund balance, July 1	308,531	308,531	308,531	
Fund balance, June 30	<u>\$ 308,531</u>	<u>\$ 308,531</u>	<u>\$ 243,474</u>	<u>\$ (65,057)</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,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental activities at Government-wide level										
Net investment in capital assets	\$ 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	\$ 70,575,204
Restricted	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	19,937,540
Unrestricted (deficit)	(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)	(26,118,557)
Total governmental activities net position	\$ 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	\$ 64,394,187
Business-type activities at Government-wide level										
Net investment in capital assets				\$ 64,260	\$ 71,264	\$ 63,335	\$ 55,419	\$ 47,490	\$ 39,562	\$ 33,036
Unrestricted	\$ 156,564	\$ 163,609	\$ 124,697	25,952	63,014	138,144	81,282	37,282	52,831	60,847
Total business-type activities net position	\$ 156,564	\$ 163,609	\$ 124,697	\$ 90,212	\$ 134,278	\$ 201,479	\$ 136,701	\$ 84,772	\$ 92,393	\$ 93,883
Government-wide level										
Net investment in capital assets	\$ 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	\$ 70,608,240
Restricted	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	19,937,540
Unrestricted (deficit)	(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)	(26,057,710)
Total government-wide net position	\$ 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	\$ 64,488,070

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,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Expenses										
Governmental activities										
Instruction	\$ 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	\$ 96,661,639
Support Services:										
Attendance and social work	83,146	68,300	81,890	111,626	175,412	114,992	103,821	73,895	80,265	143,626
Health services	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	1,322,916
Other support services	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	14,954,002
Improvement of instruction	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	4,014,976
Other support instructional staff	578,017	616,615	721,986	631,642	782,759	742,174	908,879	1,001,601	961,129	885,128
School library	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	1,591,913
General administration	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	1,683,623
School administration	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	6,780,636
Required maintenance of plant	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	1,875,890
Operation of plant	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	8,536,688
Student transportation	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	5,736,802
Central services	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	2,344,281
Administrative information technology	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	2,689,729
Charter Schools			35,575	30,910	35,671	69,317	43,071	138,254	112,768	104,351
Post-Secondary Programs									80,054	
Interest on long-term debt	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	2,353,425
Total governmental activities expenses	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	151,679,620
Business-type activities										
Food service	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	2,129,863
Total business-type activities	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	2,129,863
Total district expenses	\$ 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	\$ 153,809,483
Program Revenues										
Governmental activities:										
Charges for services:										
Instruction	\$ 10,083	\$ 46,993	\$ 112,693	\$ 170,384	\$ 241,640	\$ 354,819	\$ 266,347	\$ 364,896	\$ 367,874	\$ 384,209
Pupil transportation and student activities	315,153	301,983	337,630	372,107	489,254	377,452	442,423	677,112	1,016,578	1,494,325
Operating grants and contributions	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	3,793,127
Capital grants and contributions	449,567	280,721	123,888	121,562	1,034,268	20,623				
Total governmental activities program revenues	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	5,671,661
Business-type activities										
Charges for services										
Food service	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	2,130,599
Total business-type activities	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	2,130,599
Total district program revenues	\$ 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	\$ 7,802,260
Net (Expense)/Revenue										
Governmental activities	\$ (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)	\$ (146,007,964)
Business-type activities	5,255	32,712	6,277	(40,075)	(36,882)	37,792	57,246	(207,493)	7,057	736
Total government-wide net expense	\$ (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)	\$ (146,007,228)

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

	Year ended June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 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	\$ 114,141,214
Property taxes levied for debt service	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	5,956,473
Unrestricted grants and contributions	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	28,367,940
Investment earnings	61,224	23,943	88,831	150,948	221,777	248,204	144,629	105,416	174,088	275,491
Rental income	601,549	586,959	564,534	504,525	497,508	436,443	338,912	245,336	347,798	446,364
Miscellaneous income	336,001	265,788	200,351	115,767	196,469	328,831	357,697	431,742	296,498	581,918
Transfers								(155,000)		
Total governmental activities	<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>	<u>149,789,400</u>
Business-type activities:										
Interest earnings	693	768	1,163	2,397	6,274	9,955	5,136	564	564	754
Transfers								155,000		
Total business-type activities	<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>	<u>754</u>
Total government-wide	<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>	<u>\$ 149,790,154</u>
Change in Net Position										
Governmental activities	\$ 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	\$ 3,781,436
Business-type activities	5,948	33,480	7,440	(37,678)	(30,608)	47,747	62,382	(51,929)	7,621	1,490
Total district	<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>	<u>\$ 3,782,926</u>

Source: ACFR Schedule A-2 and District records.

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,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Fund										
Restricted	\$ 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	\$ 16,313,075
Assigned	525,508	670,709	524,747	740,234	757,944	588,463	851,374	350,389	526,319	2,662,285
Unassigned	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	3,258,502
Total general fund	<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>	<u>\$ 22,233,862</u>
All Other Governmental Funds										
Restricted for:										
Special revenue fund			\$ 2,302,593					\$ 521,029	\$ 568,619	\$ 583,812
Debt service fund	\$ 323,480	\$ 87,680	234,706	\$ 157,471	\$ 130,368	\$ 163,560	\$ 346,768	362,541	308,531	243,474
Capital projects fund (deficit)	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	3,040,653
Total all other governmental funds	<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>	<u>\$ 3,867,939</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,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues										
Tax levy	\$ 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	\$ 120,097,687
Tuition charges	46,993	112,693	170,384	241,640	354,819	266,347	318,070	364,896	367,874	384,209
Interest earnings	61,224	23,943	47,132	63,519	159,859	183,997	103,709	40,102	33,581	123,243
Investment income			41,699	87,429	61,918	64,207	40,920	65,314	140,507	152,248
Rental income	601,549	586,959	564,534	504,525	497,508	436,443	338,912	245,336	347,798	446,364
Miscellaneous	780,894	636,806	633,408	605,021	573,921	771,254	428,944	444,934	555,359	1,004,837
State sources	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	40,763,223
Local sources	16,418	32,279	22,806	30,465	24,340	28,953	29,750	691,465	763,389	1,112,894
Federal sources	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	2,581,886
Total revenue	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	166,666,591
Expenditures										
Instruction										
Regular and Special Education Instruction	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	61,361,295
Undistributed:										
Instruction	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	5,503,078
Attendance and social work	49,494	54,685	67,821	97,710	63,228	61,050	63,807	43,392	51,978	94,355
Health services	944,287	938,827	983,322	976,076	970,191	936,873	912,252	918,293	892,566	879,319
Other support services	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	10,788,730
Improvement of instruction	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	2,650,159
School library	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	1,087,970
Instructional staff training	464,605	524,358	403,168	467,394	446,711	577,929	661,513	609,672	652,193	620,101
General administration	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	1,386,325
School administration	4,258,497	4,239,852	4,328,243	4,381,197	4,586,777	4,421,915	4,210,001	4,082,143	4,429,904	4,583,248
Required maintenance of plant	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	1,337,062
Operation of plant	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	6,849,661
Student transportation	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	4,693,017
Business and oth supp. services and benefits	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	24,557,736
On Behalf TPAF social security and pension/medical contributions	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	30,105,959
Capital outlay	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	5,202,373
Charter Schools		35,575	30,910	35,671	69,317	43,071	116,590	138,254	112,768	104,351
Post-Secondary Programs									80,054	
Costs of issuance	53,298									
Debt service:										
Principal	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	5,460,000
Interest	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	2,731,675
Total expenditures	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	169,996,414
Excess (Deficiency) of revenues over (under) expenditures	(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	(3,329,823)
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	2,045,000
Bond proceeds	8,500,000									
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	18,119	234,691	2,967,026	48,763	112,758	96,211	129,023	41,658	71,197	1,583,183
Transfers out	(18,119)	(234,691)	(2,967,026)	(48,763)	(112,758)	(96,211)	(129,023)	(196,658)	(71,197)	(1,583,183)
Total other financing sources (uses)	8,500,850	1,200,000	12,723,848	-	2,210,000	1,500,000	2,575,009	1,645,000	1,438,307	2,045,000
Net change in fund balances	\$ 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	\$ (1,284,823)
Debt service as a percentage of noncapital expenditures	6.4%	6.6%	6.2%	6.2%	6.2%	5.9%	5.9%	5.7%	5.3%	5.0%

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
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
2023	384,209	217,718	446,364	422,919	581,918	2,053,128

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
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	740,300	1,222,333,500	115,758,000	92,502,600	8,586,297,700	11,073,038	8,597,370,738	1.368
2021	114,749,300	7,061,621,349	740,300	1,208,844,800	110,390,500	108,656,900	8,605,003,149	11,671,927	8,616,675,076	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	1.403
2023	88,556,600	7,225,360,100		1,083,535,000	109,663,300	124,141,900	8,631,256,900	11,342,700	8,642,599,600	1.440

Source: District records, Tax list summary & Municipal Tax Assessor and Collector, abstract of ratables, County Board of Taxation

Note: Real property is required to be assessed at some percentage of true value (fair or market value) established by each county board of taxation.

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

b Tax rates are per \$100

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

Livingston Board of Education
 Direct and Overlapping Governments - Property Tax Rates
 Last Ten Fiscal Years
 (rate per \$100 of assessed value)
 Unaudited

Fiscal Year Ended June 30,	Livingston Township School District			Overlapping Rates		Total Direct and Overlapping Tax Rate
	Basic Rate ^a	General Obligation Debt Service ^b	Total Direct	Livingston Township	Essex County	
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	1.28	0.10	1.40	0.46	0.47	2.33
2023	1.37	0.07	1.44	**	**	**

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	2023			2014		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Livingston Mall	\$ 100,000,000	1	1.16%	\$ 132,000,000	1	1.77%
Livingston Circle Associates	56,981,200	2	0.66%	38,000,000	3	0.51%
Squiertown Properties, LLC	50,985,500	3	0.59%			
369 East Mount Pleasant Ave, LLC	40,000,000	4	0.46%			
348 E Cedar LLC	39,176,800	5	0.45%			
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	0.36%	30,250,300	4	0.41%
Eastgreen, Inc.	29,937,000	9	0.35%	30,175,000	5	0.41%
Esplanade Livingston, LLC	28,464,000	10	0.33%	20,000,000	10	0.27%
CIT Group Inc.				45,938,500	2	0.62%
Formosa Plastics, Corp., USA				28,000,000	7	0.38%
Trste Src Facilities				29,469,900	6	0.40%
Allwood Associates				21,500,000	9	0.29%
Care Two, LLC				22,400,000	8	0.30%
Total	\$ 450,916,000		5.22%	\$ 397,733,700		5.36%

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
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%	-
2023	120,097,687	120,097,687	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	
	General Obligation Bonds	Leases	Bond Anticipation Notes	Grant Anticipation Notes		Personal Income ^a	Per Capita ^a
2014	\$ 98,471,000	\$ 1,235,856		\$ 8,000,000	\$107,706,856	0.05%	\$ 54,879
2015	94,466,000	1,359,372	\$ 4,300,000	8,000,000	108,125,372	0.05%	54,606
2016	93,140,000	4,555,541		5,000,000	102,695,541	0.06%	58,319
2017	89,110,000	3,736,161			92,846,161	0.06%	60,030
2018	84,550,000	4,401,341			88,951,341	0.07%	60,887
2019	79,915,000	4,024,052			83,939,052	0.08%	63,554
2020	75,095,000	3,406,174			78,501,174	0.09%	67,459
2021	70,085,000	4,724,255			74,809,255	0.09%	67,657
2022	64,660,000	5,953,027			70,613,027	0.10%	70,497
2023	59,200,000	5,699,571			64,899,571	0.11%	74,310

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.

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		
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
2023	59,200,000	243,474	58,956,526	0.68%	74,310

Source:

a See J-6 for property tax data.

b Population data can be found in J-14.

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

Livingston Board of Education
 Ratios of Overlapping Governmental Activities Debt
 As of June 30, 2023
 Unaudited

	Debt Outstanding	Estimated	Estimated Share of
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			\$ 59,200,000
Total direct and overlapping debt			\$ 59,200,000

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 2023

Equalized valuation basis	2023	\$ 10,355,437,193
	2022	9,566,836,317
	2021	8,860,326,278
		<u>\$ 28,782,599,788</u>
Average equalized valuation of taxable property (Using available years)		<u>\$ 9,594,199,929</u>
Debt limit (4 % of average equalization value)	\$	383,767,997
Net bonded school debt		58,956,526
Legal debt margin	\$	<u>324,811,471</u>

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Debt limit	\$ 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	\$ 324,811,471
Total net debt applicable to limit	<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>	<u>58,956,526</u>
Legal debt margin	<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>	<u>\$ 265,854,945</u>
Total net debt applicable to the limit as a percentage of debt limit	40.27%	39.11%	34.41%	31.10%	30.43%	28.32%	22.48%	28.22%	18.31%	18.15%

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

Year	Population ^a	Personal Income	Per Capita	Unemployment
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%
2023	31,000	N/A	74,310	2.6%

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>	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Instruction										
Regular	398	399	402	402	403	412	419	423	431	427
Special education	63	67	67	70	71	75	76	75	79	105
Support services										
Student & instruction related services	102	104	104	110	110	114	116	117	118	115
General administrative services	13	13	13	14	16	17	17	17	17	3
School administrative services	42	42	42	43	44	44	44	46	45	42
Business administrative services	12	12	12	12	12	12	12	12	13	24
Plant operations and maintenance	57	57	57	59	59	59	59	59	61	66
Pupil transportation	27	28	28	29	29	32	32	33	32	43
Total	<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>796</u>	<u>825</u>

Source: District Personnel Records

Livingston Board of Education
Operating Statistics
Last Ten Fiscal Years
Unaudited

Pupil/Teacher Ratio

Fiscal Year	Enrollment	Operating Expenditures ^a	Cost Per Pupil	Percentage Change	Teaching Staff ^b	Elementary	Middle School	High School	Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
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%	532	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	14.29%	542	1:13	1:11	1:11	6,171	5,920	2.45%	95.93%
2023	6,353	156,602,366	24,650	9.31%	556	1:13	1:11	1:11	6,347	6,068	2.77%	95.60%

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	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Elementary										
Burnet Hill Elementary										
Square Feet	51,521	51,521	55,467	55,467	55,467	55,467	55,467	55,467	55,467	55,467
Capacity (students)	412	412	522	522	522	522	522	522	522	522
Enrollment	440	464	472	447	475	461	486	442	449	462
Riker Hill Elementary										
Square Feet	48,279	48,279	53,440	53,440	53,440	53,440	53,440	53,440	53,440	53,440
Capacity (students)	386	386	414	414	414	414	414	414	414	414
Enrollment	406	400	398	375	402	396	397	401	431	461
Collins Elementary										
Square Feet	48,589	48,589	53,309	53,309	53,309	53,309	53,309	53,309	53,309	53,309
Capacity (students)	389	389	424	424	424	424	424	424	424	424
Enrollment	452	453	481	467	453	464	462	457	449	490
Harrison Elementary										
Square Feet	64,555	64,555	75,151	75,151	75,151	75,151	75,151	75,151	75,151	75,151
Capacity (students)	516	516	656	656	656	656	656	656	656	656
Enrollment	485	487	480	451	473	465	449	459	483	438
Hillside Elementary										
Square Feet	45,168	45,168	51,694	51,694	51,694	51,694	51,694	51,694	51,694	51,694
Capacity (students)	361	361	529	529	529	529	529	529	529	529
Enrollment	406	412	407	394	399	404	397	391	417	443
Mount Pleasant Elementary										
Square Feet	48,086	48,086	48,086	48,086	48,086	48,086	48,086	48,086	48,086	48,086
Capacity (students)	385	385	385	385	385	385	385	385	385	385
Enrollment	450	454	446	428	434	438	426	415	435	478
Middle Schools										
Heritage										
Square Feet	150,861	150,861	150,861	150,861	150,861	150,861	150,861	150,861	150,861	150,861
Capacity (students)	1,152	1,152	1,152	1,152	1,152	1,152	1,152	1,152	1,152	1,152
Enrollment	918	920	973	958	958	991	1,007	1,029	1,014	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
Capacity (students)	687	687	687	687	687	687	687	687	687	687
Enrollment	471	476	463	464	481	484	474	483	477	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
Capacity (students)	1,736	1,736	1,736	1,736	1,736	1,736	1,736	1,736	1,736	1,736
Enrollment	1,847	1,827	1,830	1,892	1,896	1,902	1,988	1,943	1,970	2,066

Number of Schools at June 30, 2023

High School = 1
Elementary = 6
Middle Schools = 2

Source: District records, ASSA

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

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

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

School Facilities	Project # (s)	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Livingston High School	50	\$ 374,376	\$ 389,130	\$ 445,593	\$ 352,815	\$ 416,470	\$ 370,514	\$ 356,961	\$ 349,361	\$349,774	\$ 356,114
Heritage Middle School	55	254,042	264,052	302,367	239,410	282,605	251,420	242,222	237,066	237,347	241,650
Mt. Pleasant Middle School	60	173,818	180,667	206,883	163,807	193,361	172,024	165,731	162,203	162,396	165,340
Burnet Hill	70	93,594	97,282	111,397	88,203	104,117	92,628	89,240	87,340	87,444	89,029
Collins	80	80,224	83,385	95,484	75,603	89,243	79,395	76,491	74,863	74,952	76,311
Harrison	90	120,336	125,077	143,227	113,405	133,866	119,094	114,738	112,295	112,428	114,466
Hillside	100	80,224	83,385	95,484	75,603	89,243	79,395	76,491	74,863	74,952	76,311
Mt.Pleasant	110	80,224	83,385	95,484	75,603	89,243	79,395	76,491	74,863	74,952	76,311
Riker Hill	118	80,224	83,385	95,484	75,603	89,243	79,395	76,491	74,863	74,952	76,311
Total School Facilities		<u>\$ 1,337,062</u>	<u>\$ 1,389,748</u>	<u>\$ 1,591,403</u>	<u>\$ 1,260,052</u>	<u>\$ 1,487,391</u>	<u>\$ 1,323,260</u>	<u>\$ 1,274,856</u>	<u>\$ 1,247,717</u>	<u>\$ 1,249,197</u>	<u>\$ 1,271,843</u>

Source: District records of required maintenance.

LIVINGSTON BOARD OF EDUCATION
INSURANCE SCHEDULE
As of June 30, 2023
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, Property Limit	Incl. Property Limit \$222,587,111	\$1,000
Flood (Deductible for Zone A & Z) (Deductible All Other Flood Zones)		\$500,000 \$10,000
Equipment Breakdown		
Combined Single Limit/Accident for Property Damage & Business Inc Property Damage	\$100,000,000 Included	\$5,000 \$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	bodily injury
	\$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
Cyber	\$2,000,000	various

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, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated February 9, 2024.

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.

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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
February 9, 2024

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, 2023. 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, 2023.

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.

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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
February 9, 2024

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, 2023

Federal Grantor/Pass-Through Grantor/Program Title	Federal AL Number	Federal FAIN Number	Grant Period	Award Amount	June 30, 2022			Cash Received	Budgetary Expenditures	Adjustments	June 30, 2023			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	2205NJ5MAP	7/1/22-6/30/23	\$ 24,510	\$ (5,862)		\$ 24,965	\$ (19,103)						
COVID-19 Medical Assistance - SEMI - CARES	93.778	2305NJ5MAP	7/1/22-6/30/23	2,806			2,806	(2,806)						
Total General Fund					<u>(5,862)</u>		<u>27,771</u>	<u>(21,909)</u>						
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	(66,035)		66,035							
Title I, Part A	84.010A	S010A220030	7/1/22-9/30/23	150,050			43,224	(144,615)		\$ (101,391)				
Title II-A	84.367A	S367A210029	7/1/21-9/30/22	78,364	(34,396)		34,396							
Title II-A	84.367A	S367A220029	7/1/22-9/30/23	81,202			22,340	(79,610)		(57,270)				
Title III	84.365A	S365A210030	7/1/21-9/30/22	22,364	(6,658)		6,658							
Title III	84.365A	S365A220030	7/1/22-9/30/23	20,773			11,809	(19,111)		(7,302)				
Title III Immigrant				14,334				(14,334)		(14,334)				
Title IV	84.424	S424A210031	7/1/21-9/30/22	10,000										
Title IV	84.424	S424A220031	7/1/22-9/30/23	12,374			925	(10,425)		(9,500)				
Special Education Cluster:														
IDEA Part B, Basic	84.027A	H027A210100	7/1/21-9/30/22	1,399,595	(326,287)		326,287							
IDEA Part B, Basic	84.027A	H027A220100	7/1/22-9/30/23	1,461,809			1,041,515	(1,406,207)		(364,692)				
COVID-19 ARP, Basic	84.027X	H027X210100	7/1/21-9/30/22	319,586	(149,602)		149,602							
IDEA Part B, Preschool	84.173A	H173A210114	7/1/21-9/30/22	58,009	(7,563)		7,563							
IDEA Part B, Preschool	84.173A	H173A220114	7/1/22-9/30/23	65,460			22,962	(64,631)		(41,669)				
Total Special Education Cluster					<u>(483,452)</u>		<u>1,547,929</u>	<u>(1,470,838)</u>		<u>(406,361)</u>				
Education Stabilization Fund (ESF):														
COVID-19 CR Mental Health (ESSER II)	84.425D	S425D210026	3/13/20-9/30/24	45,000	(716)		7,896	(22,060)		(14,880)				
COVID-19 ARP ESSER	84.425U	S425U210027	3/13/20-9/30/24	941,405	(579,818)		624,752	(180,650)	\$ 37,253	(98,463)				
COVID-19 ARP ESSER - Accelerated Learning Coaching and Educator Support Grant	84.425U	S425U210027	3/13/20-9/30/24	496,713	(80,563)		193,096	(200,814)	(35,850)	(124,131)				
COVID-19 ARP ESSER - Evidence Based Comprehensive beyond the School Day Activities	84.425U	S425U210027	3/13/20-9/30/24	40,000			10,503	(23,324)		(12,821)				
COVID-19 ARP ESSER - NJTSS Mental Health Supporting Staff	84.425U	S425U210027	3/13/20-9/30/24	45,000			4,804	(1,870)	(1,402)	(1,403)	\$ 2,935			
Total Education Stabilization Fund (ESF):					<u>(661,097)</u>		<u>841,051</u>	<u>(428,718)</u>	<u>1</u>	<u>(251,698)</u>	<u>2,935</u>			
Total U.S. Department of Education - Passed Through the State Department of Education														
					<u>(1,251,638)</u>		<u>2,574,367</u>	<u>(2,167,651)</u>	<u>1</u>	<u>(847,856)</u>	<u>2,935</u>			
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)		758,834	(480,326)		(217,764)				
Total U.S. Department of the Treasury Passed-Through State Department of Education					<u>(496,272)</u>		<u>758,834</u>	<u>(480,326)</u>		<u>(217,764)</u>				
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	(2,362)		2,362							
Total Special Revenue Fund					<u>(1,750,272)</u>		<u>3,335,563</u>	<u>(2,647,977)</u>	<u>1</u>	<u>(1,065,620)</u>	<u>2,935</u>			
Total Federal Awards Expenditures					<u>\$ -</u>	<u>\$(1,756,134)</u>	<u>\$ -</u>	<u>\$ 3,363,334</u>	<u>\$ (2,669,886)</u>	<u>\$ 1</u>	<u>\$ (1,065,620)</u>	<u>\$ 2,935</u>	<u>\$ -</u>	<u>\$ -</u>

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

Livingston Board of Education
Schedule of Expenditures of State Financial Assistance

Year ended June 30, 2023

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	June 30, 2022		Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	June 30, 2023		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	7/1/21-6/30/22	\$ 4,312,253	\$ (399,680)		\$ 399,680						
Special Education Categorical Aid	495-034-5120-089	7/1/22-6/30/23	5,630,399			5,091,696	\$ (5,630,399)				\$ (538,703)	\$ (5,630,399)
Transportation Aid	495-034-5120-014	7/1/21-6/30/22	1,303,530	(120,818)		120,818						
Transportation Aid	495-034-5120-014	7/1/22-6/30/23	1,303,530			1,178,812	(1,303,530)				(124,718)	(1,303,530)
Security Aid	495-034-5120-084	7/1/21-6/30/22	434,880	(40,307)		40,307						
Security Aid	495-034-5120-084	7/1/22-6/30/23	434,880			393,272	(434,880)				(41,608)	(434,880)
Extraordinary Aid	100-034-5120-473	7/1/21-6/30/22	1,957,880	(1,957,880)		1,957,880						
Extraordinary Aid	100-034-5120-473	7/1/22-6/30/23	1,585,231				(1,585,231)	\$ (1,585,231)				(1,585,231)
Additional NonPublic Transportation Aid	Not available	7/1/21-6/30/22	60,354	(60,354)		60,354						
Additional NonPublic Transportation Aid	Not available	7/1/22-6/30/23	67,616				(67,616)	(67,616)				(67,616)
On-Behalf Teachers' Pension and Annuity Fund	495-034-5094-002	7/1/22-6/30/23	20,472,775			20,472,775	(20,472,775)					(20,472,775)
On-Behalf Teachers' Pension and Annuity Fund - Post-Retirement Medical	495-034-5094-001	7/1/22-6/30/23	5,378,148			5,378,148	(5,378,148)					(5,378,148)
On-Behalf Teachers' Pension and Annuity Fund - Non-Contributory Insurance	495-034-5094-004	7/1/22-6/30/23	8,188			8,188	(8,188)					(8,188)
Reimbursed TPAF - Social Security	495-034-5094-003	7/1/21-6/30/22	4,146,933	(200,994)		200,994						
Reimbursed TPAF - Social Security	495-034-5094-003	7/1/22-6/30/23	4,246,848			4,246,848	(4,246,848)					(4,246,848)
Lead Teaching for Schools	495-034-5120-104	7/1/22-6/30/23	18,741			18,741	(18,741)					(18,741)
Total State Department of Education - General Fund				(2,780,033)		39,568,513	(39,146,356)		(1,652,847)		(705,029)	(39,146,356)
School Development Authority												
School Security Grant (Alyssa's Law)	22E00114	4/1/21-8/31/22	341,291	(157,061)		157,061						(341,291)
Total School Development Authority				(157,061)		157,061						(341,291)
Total General Fund				(2,937,094)		39,725,574	(39,146,356)		(1,652,847)		(705,029)	(39,487,647)
Special Revenue Fund:												
New Jersey Non-Public Aid:												
Textbook Aid	100-034-5120-064	7/1/22-6/30/23	52,140			52,140	(43,283)			\$ 8,857		(43,283)
Textbook Aid	100-034-5120-064	7/1/21-6/30/22	46,516		\$ 84			\$ 84				
Technology Aid	100-034-5120-373	7/1/22-6/30/23	60,774			60,774	(59,189)			1,585		(59,189)
Technology Aid	100-034-5120-373	7/1/21-6/30/22	63,781		823			823			1,585	(59,189)
Security Aid	100-034-5120-509	7/1/22-6/30/23	307,500			307,500	(305,536)			1,964		(305,536)
Security Aid	100-034-5120-509	7/1/21-6/30/22	253,575		757			757				
Non Public Auxiliary Services (Ch. 192):												
English as a Second Language	100-034-5120-067	7/1/22-6/30/23	2,405			2,405	(501)			1,904		(501)
English as a Second Language	100-034-5120-067	7/1/21-6/30/22	183		92			92				
Compensatory Education	100-034-5120-067	7/1/22-6/30/23	70,170			70,170	(60,682)			9,488		(60,682)
Compensatory Education	100-034-5120-067	7/1/21-6/30/22	59,122		5,374			5,374				
Home Instruction	100-034-5120-067	7/1/22-6/30/23	6,591			6,591	(6,591)		(6,591)			(6,591)
Home Instruction	100-034-5120-067	7/1/21-6/30/22	5,408	(5,408)		5,408						
Non Public Handicapped Services (Ch. 193):												
Supplemental Instruction	100-034-5120-066	7/1/22-6/30/23	177,507			177,507	(173,047)			4,460		(173,047)
Supplemental Instruction	100-034-5120-066	7/1/21-6/30/22	195,762		30,645			30,645				
Examination and Classification	100-034-5120-066	7/1/22-6/30/23	227,898			227,898	(223,717)			4,181		(223,717)
Examination and Classification	100-034-5120-066	7/1/21-6/30/22	246,076		27,880			27,880				
Corrective Speech	100-034-5120-066	7/1/22-6/30/23	61,845			61,845	(45,384)			16,461		(45,384)
Corrective Speech	100-034-5120-066	7/1/21-6/30/22	64,170		20,646			20,646				
Non Public Nursing Services	100-034-5120-070	7/1/22-6/30/23	168,000			168,000	(168,000)					(168,000)
School Development Authority - Emergent Needs	Not Available	7/1/22-6/30/23	150,332			150,332	(150,332)					(150,332)
Climate Awareness Education		4/1/23-6/30/23	6,600				(6,600)		(6,600)			(6,600)
Total Special Revenue Fund				(5,408)	86,301	1,283,979	(1,242,862)	86,301	(13,191)	48,900		(1,242,862)
Debt Service Fund:												
Debt Service Aid	495-034-5120-017	7/1/22-6/30/23	569,429			569,429	(569,429)					(569,429)
Total Debt Service Fund						569,429	(569,429)					(569,429)
Total State Financial Assistance				\$ (2,785,441)	\$ 86,301	\$ 41,578,982	\$ (40,958,647)	\$ 86,301	\$ (1,666,038)	\$ 48,900	\$ (705,029)	\$ (40,958,647)
State Financial Assistance Not Subject to Single Audit Determination:												
On-Behalf Teachers' Pension and Annuity Fund	495-034-5094-002	7/1/22-6/30/23	20,472,775			20,472,775	(20,472,775)					(20,472,775)
On-Behalf Teachers' Pension and Annuity Fund - Post-Retirement Medical	495-034-5094-001	7/1/22-6/30/23	5,378,148			5,378,148	(5,378,148)					(5,378,148)
On-Behalf Teachers' Pension and Annuity Fund - Non-Contributory Insurance	495-034-5094-004	7/1/22-6/30/23	8,188			8,188	(8,188)					(8,188)
Total State Financial Assistance Subject to Single Audit Determination				\$ (2,785,441)	\$ 86,301	\$ 15,719,871	\$ (15,099,536)	\$ 86,301	\$ (1,666,038)	\$ 48,900	\$ (705,029)	\$ (15,099,536)

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, 2023

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, 2023. 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, 2023

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	\$1,065,620	\$88,000	\$977,620

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$29,629 for the general fund and \$139,200 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, 2023

3. Relationship to Basic Financial Statements (continued)

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 21,909	\$ 39,002,132	\$ 39,024,041
Special Revenue Fund	2,559,977	1,191,662	3,751,639
Debt Service Fund		569,429	569,429
Total financial award revenues	<u>\$ 2,581,886</u>	<u>\$ 40,763,223</u>	<u>\$ 43,345,109</u>

4. Relationship to Federal and State Financial Reports

Amounts reported in the accompanying schedules agree with the amounts reported in the related federal and state financial reports.

5. 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, 2023.

The post retirement pension and medical benefits received on-behalf of the District for the year ended June 30, 2023 amounted to \$25,859,111. 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, 2023

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
84.027A/84.173A	H027A220100/ H173A220114	Special Education Cluster
21.027	SLFRFDOE1SES	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, 2023

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
495-034-5120-089	<u>General State Aid Cluster:</u> Special Education Categorical Aid
495-034-5120-084	Security Aid

Livingston Board of Education

Schedule of Findings and Questioned Costs

Year ended June 30, 2023

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, 2023

**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.