



Livingston Public Schools

Empowering All to Learn, Create, Contribute & Grow

County of Essex, New Jersey

Annual Comprehensive Financial Report

FOR THE YEAR ENDED JUNE 30, 2025

Livingston Board of Education

Livingston Township, New Jersey

Annual Comprehensive Financial Report
For the Year Ended June 30, 2025

Prepared by Livingston Township School District
Business Office
Mrs. Jessica Rapp
Business Administrator, Board Secretary
Ms. Kylie McGlew
Assistant Business Administrator

Table of Contents

	<u>Page</u>
INTRODUCTORY SECTION – Other Information	
Letter of Transmittal	1
Organizational Chart	8
Roster of Officials	9
Independent Auditors and Advisors	10
FINANCIAL SECTION	
Independent Auditors' Report	11
Required Supplementary Information – Part I	
Management's Discussion and Analysis	15
Basic Financial Statements	
Government-wide Financial Statements:	
A-1 Statement of Net Position	25
A-2 Statement of Activities	26
Fund Financial Statements:	
Governmental Funds:	
B-1 Balance Sheet	27
B-2 Statement of Revenues, Expenditures and Changes in Fund Balances	28
B-3 Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	29
Proprietary Funds:	
B-4 Statement of Net Position	30
B-5 Statement of Revenues, Expenses and Changes in Fund Net Position	31
B-6 Statement of Cash Flows	32

Table of Contents (continued)

FINANCIAL SECTION (continued)	<u>Page</u>
Notes to the Basic Financial Statements	33
Required Supplementary Information – Part II	
Schedules Related to Accounting and Reporting for Pensions (GASB 68)	
L-1 Schedule of the District's Proportionate Share of the Net Pension Liability – Public Employees' Retirement System (PERS)	78
L-2 Schedule of District Pension Contributions – Public Employees' Retirement System (PERS)	79
L-3 Schedule of the State's Proportionate Share of the Net Pension Liability Associated with the District – Teachers' Pension and Annuity Fund (TPAF)	80
Schedule Related to Accounting and Reporting for OPEB (GASB 75)	
M-1 Schedule of the State's Proportionate Share of the Net OPEB Liability Associated with the District and Changes in the Total OPEB Liability and Related Ratios– (PERS and TPAF)	81
Notes to Required Supplementary Information	82
Required Supplementary Information – Part III	
Budgetary Comparison Schedules:	
C-1 Budgetary Comparison Schedule – General Fund (Budgetary Basis)	83
C-1a Combining Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Budgetary Basis)– Not Applicable	N/A
C-1b Community Development Block Grant Program - Budget and Actual (Budgetary Basis) – Not Applicable	N/A
C-2 Budgetary Comparison Schedule – Special Revenue Fund (Budgetary Basis)	91
C-3 Note to Required Supplementary Information - Budget to GAAP Reconciliation	92

Table of Contents (continued)

FINANCIAL SECTION (continued)	Page
Supplementary Information	
D School Based Budget Schedules - Not Applicable	N/A
Special Revenue Fund:	
E-1 Combining Schedule of Program Revenues and Expenditures – Budgetary Basis	93
E-2 Schedule of Preschool Education Aid Expenditures – Budgetary Basis – Not Applicable	N/A
Capital Projects Fund:	
F-1 Schedule of Project Revenues, Expenditures, Project Balance and Project Status – Budgetary Basis	95
F-2 Summary Schedule of Project Expenditures	103
Enterprise Fund:	
G-1 Combining Statement of Net Position – Not Applicable	N/A
G-2 Combining Statement of Revenues, Expenses and Changes in Fund Net Position – Not Applicable	N/A
G-3 Combining Statement of Cash Flows – Not Applicable	N/A
Long-Term Debt:	
I-1 Schedule of Serial Bonds Payable	104
I-2 Schedule of Obligations Under Financed Purchases and Leases	105
I-3 Budgetary Comparison Schedule – Debt Service Fund	106

Table of Contents (continued)

STATISTICAL SECTION (Unaudited) – Other Information

	Page
Financial Trends:	
J-1 Net Position by Component	107
J-2 Changes in Net Position	108
J-3 Fund Balances – Governmental Funds	110
J-4 Changes in Fund Balances – Governmental Funds	111
J-5 General Fund - Other Local Revenue by Source	112
Revenue Capacity:	
J-6 Assessed Value and Actual Value of Taxable Property	113
J-7 Direct and Overlapping Property Tax Rates	114
J-8 Principal Property Taxpayers	115
J-9 Property Tax Levies and Collections	116
Debt Capacity:	
J-10 Ratios of Outstanding Debt by Type	117
J-11 Ratios of General Bonded Debt Outstanding	118
J-12 Ratios of Overlapping Governmental Activities Debt	119
J-13 Legal Debt Margin Information	120
Demographic and Economic Information:	
J-14 Demographic and Economic Statistics	121
J-15 Principal Employers	122
Operating Information:	
J-16 Full-Time Equivalent District Employees by Function/Program	123
J-17 Operating Statistics	124
J-18 School Building Information	125
J-19 Schedule of Required Maintenance	126
J-20 Insurance Schedule	127

Table of Contents (continued)

SINGLE AUDIT SECTION	<u>Page</u>
K-1 Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	128
K-2 Report on Compliance For Each Major Federal and State Program and Report on Internal Control Over Compliance Required by Uniform Guidance and New Jersey OMB Circular 15-08	130
K-3 Schedule A – Schedule of Expenditures of Federal Awards – Supplementary Information	133
K-4 Schedule B – Schedule of Expenditures of State Financial Assistance – Supplementary Information	134
K-5 Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance	135
K-6 Schedule of Findings and Questioned Costs	138
K-7 Summary Schedule of Prior Year Audit Findings	N/A

Introductory Section



Livingston PUBLIC SCHOOLS

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December 5, 2025

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

Dear Board Members and Constituents:

The Annual Comprehensive Financial Report ("ACFR") of the Livingston Public Schools (the "District") as of and for the year ended June 30, 2025, 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, 2025 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 2024-2025 fiscal year with an average daily enrollment of 6,364 students, which is a decrease of 76 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
2024-25	6,364	(1.19%)
2023-24	6,440	1.44%
2022-23	6,347	2.77%
2021-22	6,171	2.45%
2020-21	6,020	(1.63%)

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
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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). 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 underway to support standards-based curriculum and the integration of technology:

a) Math:

Math In Focus continues to be implemented across the District, beginning in Kindergarten with the newest collaboration with seventh-grade teachers.

b) Technology:

LPS continues to strengthen its use of technology at every level. 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. The entire District utilizes Schoology, a learning management system, to provide 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. 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-term growth and achievement in the areas of reading engagement, fluency (including expression, rate, and accuracy), and comprehension in grades K-6. STAR Renaissance benchmark and skills tracing assessments are used to track growth in reading and writing. Authentic writing portfolios and correlating rubrics are used to demonstrate evidence of growth and achievement in various writing genres. The 95% word study program was introduced in grades K-1 last year to determine growth in the areas of phonemic awareness, phonics, and spelling. That initiative is continuing with the second grade this year.

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 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-day opportunities that rely 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.

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- 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 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

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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, 2025.

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,

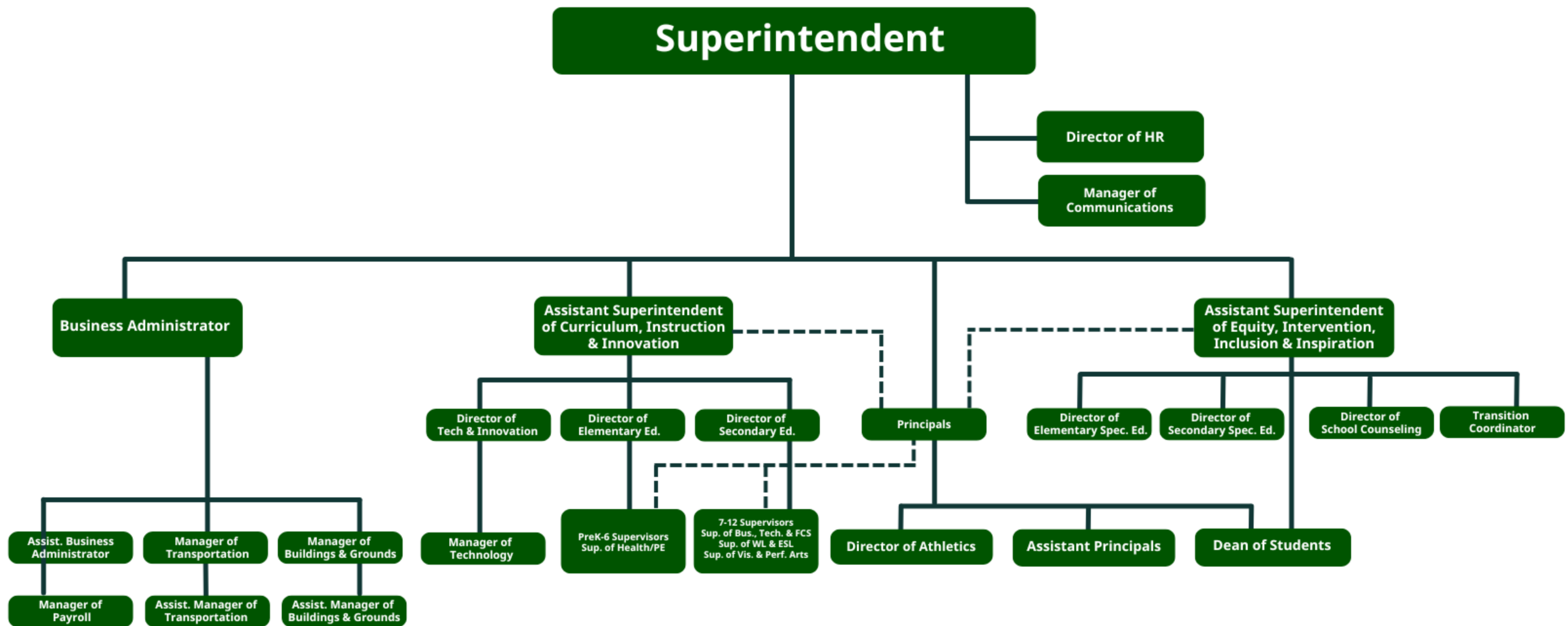


Daniel Fishbein, Ed. D.
Interim Superintendent of Schools



Jessica Rapp
School Business Administrator / Board Secretary

LPS ORGANIZATIONAL CHART



Livingston Board of Education

Roster of Officials

As of June 30, 2025

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Mr. Seth Cohen, President	2025
Mrs. Parul Khemka, Vice President	2025
Mrs. Pamela Chirls	2027
Mrs. Fang Gong	2026
Mrs. Inna Yelisevich	2027

Other Officials

Dr. Daniel Fishbein Ed.D., Interim Superintendent of Schools
Mrs. Jessica Rapp, School Business Administrator/Board Secretary
Mrs. Lisa Capone-Steiger, Assistant Superintendent of Schools
Mr. Mark Stern, Assistant Superintendent of Schools
Ms. Kylie McGlew, Assistant Business Administrator

Livingston Board of Education

Independent Auditors and Advisors

June 30, 2025

Architects

Dicara Rubino Architects
30 Galesi Drive
Wayne, New Jersey 07470

Gianforcaro Architects
555 East Main Street
Chester, New Jersey 07930

Independent Auditors

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

Board Attorneys

Cleary Giacobbe Alfieri Jacobs, LLC
169 Ramapo Valley Road, Upper Level Suite 105
Oakland, New Jersey 07436

Machado Law Group
One Cleveland Place
Springfield, New Jersey 07081

Official Depositories

Somerset Regal Bank
66 West Mount 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, 2025, 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, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS); audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards and requirements are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Change in Accounting Policy

We draw attention to Note 19 in the notes to financial statements which disclose the effects of the District's adoption of the provisions of Governmental Accounting Standards Board ("GASB") Statement No.101, "*Compensated Absences*". Our opinion is not modified with respect to this matter.

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, 2025. 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 December 5, 2025 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
December 5, 2025

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, 2025

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, 2025. 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, 2025 are as follows:

- The District ended the year with governmental activities net position of \$61,754,270. 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 \$164,801,221 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 \$9,000,038 or 5 percent of total revenues of \$173,801,259 (Schedule A-2).
- The District had \$188,154,723 in governmental funds expenditures (Schedule B-2). Of that amount, the General Fund expenditures totaled \$173,161,944, including \$31,455,568 in State on-behalf TPAF pension and social security contributions. Grant and Student Activity-related expenditures totaled \$4,430,522 in the special revenue fund. Capital Project expenditures for approved SDA projects totaled \$2,955,327. Debt Service expenditures were consistent with expected principal and interest payments on debt due by the District in the amount of \$5,140,000 and \$2,280,363, respectively (Schedule B-2). Additionally, there were \$186,567 of expenditures in the debt service fund related to costs of issuance associated with the bond refunding that took place during the 2024-25 fiscal year. Business-type activities expenses were \$2,381,284 (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,

	2025			2024		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-Type Activities	Total
Assets:						
Current and other assets	\$ 18,561,323	\$ 242,215	\$ 18,803,538	\$ 24,550,057	\$ 361,609	\$ 24,911,666
Capital assets, net	138,486,742	142,758	138,629,500	137,254,770	59,662	137,314,432
Total assets	157,048,065	384,973	157,433,038	161,804,827	421,271	162,226,098
Deferred outflows of resources	9,050,819		9,050,819	12,903,766		12,903,766
Liabilities:						
Current liabilities	4,607,188	145,865	4,753,053	6,807,221	286,698	7,093,919
Long-term liabilities	92,627,806		92,627,806	100,858,456		100,858,456
Total liabilities	97,234,994	145,865	97,380,859	107,665,677	286,698	107,952,375
Deferred inflow of resources	7,109,620		7,109,620	2,514,327		11,007,757
Net position:						
Net investment in capital assets	79,149,616	142,758	79,292,374	73,542,565	59,662	73,602,227
Restricted	12,389,970		12,389,970	17,130,475		17,130,475
Unrestricted (deficit)	(29,785,316)	96,350	(29,688,966)	(26,144,451)	74,911	(26,069,540)
Total net position	\$ 61,754,270	\$ 239,108	\$ 61,993,378	\$ 64,528,589	\$ 134,573	\$ 64,663,162

GASB Statement No. 101 was implemented during the 2025 fiscal year, which required a retroactive adjustment of beginning net position in the amount of (\$5,777,097). This amount is not reflected in the June 30, 2024 net position shown above.

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 and financed purchases) 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, increased in the current fiscal year due to the current year capital asset additions exceeding the current year depreciation / amortization expense. Current and other assets decreased mainly due to the decrease in cash and cash equivalents due to current year fiscal results. Long-term liabilities decreased mainly due to the budgeted paydown of prior year debt and the refunding of bonds during the 2025 fiscal year resulting in reduction in bonds payable and related unamortized premiums on bond issuances, as well as a 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.

Net investment in capital assets increased by approximately \$5.7 million as a result of capital asset additions and decreases in outstanding serial bonds, the unamortized deferred interest costs, unamortized bond premiums and leases. 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, 2025 and 2024:

Table 2
Changes in Net Position
Years ended June 30,

	2025			2024		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-Type Activities	Total
Revenues:						
Program revenues:						
Charges for services	\$ 2,165,321	\$ 2,468,690	\$ 4,634,011	\$ 1,794,536	\$ 2,430,791	\$ 4,225,327
Operating grants and contributions	3,183,912		3,183,912	3,770,925		3,770,925
Capital grants and contributions	1,182,115		1,182,115			
Total program revenues	6,531,348	2,468,690	9,000,038	5,565,461	2,430,791	7,996,252
General revenues:						
Property taxes	129,526,282		129,526,282	122,959,834		122,959,834
Federal aid not restricted to specific purposes	13,433		13,433	9,943		9,943
State aid not restricted to specific purposes	32,760,663		32,760,663	34,833,773		34,833,773
Investment earnings	642,669	17,129	659,798	175,217	3,091	178,308
Rental income	426,150		426,150	353,030		353,030
Miscellaneous	1,414,895		1,414,895	612,077		612,077
Total general revenues	164,784,092	17,129	164,801,221	158,943,874	3,091	158,946,965
Expenses:						
Instructional services	106,028,896		106,028,896	106,372,794		106,372,794
Support services	59,009,977	2,381,284	61,391,261	55,688,287	2,393,192	58,081,479
Charter schools	20,604		20,604	43,741		43,741
Post secondary programs	87,388		87,388	84,964		84,964
Interest and other charges on long term debt	3,165,797		3,165,797	2,185,147		2,185,147
Total expenses	168,312,662	2,381,284	170,693,946	164,374,933	2,393,192	166,768,125
Change in net position	3,002,778	104,535	3,107,313	134,402	40,690	175,092
Net position - beginning	58,751,492	134,573	58,886,065	64,394,187	93,883	64,488,070
Net position - ending	\$ 61,754,270	\$ 239,108	\$ 61,993,378	\$ 64,528,589	\$ 134,573	\$ 64,663,162

GASB Statement No. 101 was implemented during the 2025 fiscal year, which required a retroactive adjustment of beginning net position in the amount of (\$5,777,097). This amount is not reflected in the June 30, 2024 net position shown above.

Property taxes made up 74.53% of revenues for governmental activities for the District for fiscal year 2025. Federal and state unrestricted aid accounted for another 18.86% of revenue. Property taxes increased within allowable caps as permitted by New Jersey regulations.

The total expenses of all programs and services was \$170,693,946. Instruction comprised 62.12% 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 increased mainly due to a increase 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 and a change in Food Service management companies with a higher fee schedule.

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 \$10,129,151, assigned fund balances were \$1,421,673 and the unassigned fund balance was \$3,057,639, while the total fund balance was \$14,608,463 (B-1).

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 were \$4,468,360 and \$4,430,522, respectively.

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). Revenue and expenditures for the current fiscal year were \$1,250,620 and \$2,955,327, respectively. Additionally, there was \$2,429,400 transferred into the fund from the General Fund to fund the local share of project costs related to several roofing and HVAC projects that were approved and partially funded by the New Jersey Schools Development Authority ROD grants. Additionally, there was \$1,000,000 transferred to the debt service fund and \$68,505 transferred to the general fund. Total restricted fund balance was \$1,656,278 as of June 30, 2025.

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 restricted fund balance in the debt service fund was \$156,151 at June 30, 2025.

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, 2025, and the amount and percentage of increases and decreases in relation to prior year revenues.

Revenues	Amount	Percent of Total	Increase (Decrease) from 2024	Percent of Increase / (Decrease)
Local sources	\$ 134,111,302	74.1%	\$ 8,201,429	6.5%
State sources	44,960,967	24.8%	1,301,162	3.0%
Federal sources	2,010,597	1.1%	(648,283)	-24.4%
Total	<u>\$ 181,082,866</u>	<u>100.0%</u>	<u>\$ 8,854,308</u>	<u>5.1%</u>

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 in the on behalf TPAF contributions made by the State of New Jersey on behalf of the District.

The decrease in federal sources is due to the prior year grants related to ESSER and ARP programs no longer being available to the District.

The following schedule represents a summary of general fund, special revenue fund and debt service fund expenditures for the year ended June 30, 2025, and the amount and percentage of increases and decreases in relation to prior year expenditures.

Expenditures	Amount	Percent of Total	Increase (Decrease) from 2024	Percent of Increase (Decrease)
Current:				
Instruction	\$ 65,169,342	35.2%	\$ 1,793,166	2.8%
Support services	103,715,258	56.0%	2,447,242	2.4%
Capital outlay	8,628,565	4.7%	1,836,253	27.0%
Charter schools	20,604	0.0%	(23,137)	-52.9%
Post secondary programs	58,697	0.0%	3,947	7.2%
Debt service	7,606,930	4.1%	(88,120)	-1.1%
Total	<u>\$ 185,199,396</u>	<u>100.0%</u>	<u>\$ 5,969,351</u>	<u>3.3%</u>

The increase in capital outlay is the result of District anticipated capital expenditures that were included in the 2024-2025 adopted budget as well as greater equipment and improvement purchase activity during the 2024-25 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 \$659,525 was mainly due to a decrease in the number of teaching staff for preschool and elementary programs and a decrease in the need for external service providers, as the District had a decreased need for instructional salaries and general supplies.
- Instruction – special education – multiple disabilities – a decrease of \$791,923 was mainly due to a decrease in the number of students enrolled in the MD program that was originally budgeted for. Based on IEP needs, students were either enrolled in other special education programs or were required to be sent out of District.
- Undistributed Expenditures – instruction – an increase of \$352,130 was mainly due to an increase in the number of students who required out of District placement as opposed to having these students in District as originally budgeted for.
- Student transportation services – an increase of \$405,371 was mainly due to increased need for transportation services for special education students and rising costs.
- Unallocated benefits – employee benefits – a decrease of \$573,699 was mainly due to the decrease in the actual health benefit costs anticipated during the budget process.

Capital Assets

At the end of fiscal year 2025, the District had \$138,486,742 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 2025 and 2024 for governmental activities capital assets:

	Year Ended June 30,	
	2025	2024
Land	\$ 3,253,263	\$ 3,253,263
Construction in progress	67,039	
Land improvements	273,003	324,970
Building and building improvements	126,127,026	125,548,209
Machinery, equipment and vehicles	8,108,683	7,234,156
Right to use asset - leased building	657,728	789,273
Right to use asset - leased equipment		104,899
Total	\$ 138,486,742	\$ 137,254,770

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

Debt Administration and Long-term Liabilities

At June 30, 2025, the District had \$92,627,806 of long-term liabilities. Of this amount, \$11,656,038 relates to compensated absences; \$4,766,178 relates to various financed purchases payable; \$707,613 relates to leases payable, \$47,965,000 of serial bonds for school construction and renovation projects; \$25,899,642 relates to the net pension liability and \$1,633,335 is for the unamortized premium on bonds.

On April 23, 2025, the District issued refunding bonds in the amount of \$37,120,000. These bonds refunded \$38,025,000 of the District's 2015 outstanding bond issuance. The refunding resulted in a gross present value savings of \$2,938,901 and actual savings of \$905,000.

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.

Looking ahead, the District is strategically focused on navigating anticipated financial headwinds resulting from the expiration of federal pandemic-era relief funding (e.g., ESSER) and the uncertainty surrounding future state or federal aid levels. Our core strategy is to maintain a structurally balanced budget by aligning expenditures with recurring revenues, which includes prudent management of staffing and non-essential operating costs. Furthermore, the District remains committed to its long-range capital plan, which addresses necessary facility maintenance and upgrades, ensuring a safe and modern learning environment for our students. The district plans to continue monitoring enrollment trends, evolving legislative mandates (such as potential changes to state funding formulas or educational standards), and economic conditions to adapt its financial and educational strategies proactively.

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 Mrs. Jessica Rapp, 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, 2025.

Livingston Board of Education

Statement of Net Position

June 30, 2025

	Governmental Activities	Business-type Activities	Total
Assets			
Cash and cash equivalents	\$ 14,655,281	\$ 223,450	\$ 14,878,731
Investments	100,002		100,002
Accounts receivable	3,806,040		3,806,040
Inventories		18,765	18,765
Capital assets, non-depreciable	3,320,302		3,320,302
Capital assets being depreciated/amortized, net	135,166,440	142,758	135,309,198
Total assets	<u>157,048,065</u>	<u>384,973</u>	<u>157,433,038</u>
Deferred outflow of resources			
Pension deferrals	9,050,819		9,050,819
Total deferred outflows of resources	<u>9,050,819</u>		<u>9,050,819</u>
Liabilities			
Accounts payable	2,816,556		2,816,556
Other current liabilities	434,020		434,020
Accrued interest payable	556,608		556,608
Intergovernmental payables:			
State	63,386		63,386
Payroll deductions and withholdings payable	61,774		61,774
Unearned revenue	674,844	145,865	820,709
Net pension liability	25,899,642		25,899,642
Current portion of long-term obligations	8,738,619		8,738,619
Noncurrent portion of long-term obligations	57,989,545		57,989,545
Total liabilities	<u>97,234,994</u>	<u>145,865</u>	<u>97,380,859</u>
Deferred inflows of resources			
Unamortized gain on refunding of debt	4,265,000		4,265,000
Pension deferrals	2,844,620		2,844,620
Total deferred inflows of resources	<u>7,109,620</u>		<u>7,109,620</u>
Net position			
Net investment in capital assets	79,149,616	142,758	79,292,374
Restricted for:			
Capital projects	1,656,278		1,656,278
Capital reserve	6,888,443		6,888,443
Emergency reserve	837,556		837,556
Maintenance reserve	1,000,000		1,000,000
Excess fund balance	859,795		859,795
Unemployment compensation	543,357		543,357
Student activities	604,541		604,541
Unrestricted (deficit)	(29,785,316)	96,350	(29,688,966)
Total net position	<u>\$ 61,754,270</u>	<u>\$ 239,108</u>	<u>\$ 61,993,378</u>

Livingston Board of Education

Statement of Activities

Year ended June 30, 2025

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	
Governmental activities							
Instruction	\$ 106,028,896	\$ 402,493	\$ 2,502,189		\$ (103,124,214)		\$ (103,124,214)
Support services:							
Attendance/social work	192,885				(192,885)		(192,885)
Health services	1,594,762				(1,594,762)		(1,594,762)
Other support services	16,486,937	1,284,448	573,678		(14,628,811)		(14,628,811)
Improvement of instruction	4,159,537				(4,159,537)		(4,159,537)
Other support: instructional staff	1,012,376				(1,012,376)		(1,012,376)
School library	1,674,429				(1,674,429)		(1,674,429)
General administration	1,224,315				(1,224,315)		(1,224,315)
School administration	7,277,161				(7,277,161)		(7,277,161)
Required maintenance of plant services	2,475,885				(2,475,885)		(2,475,885)
Operation of plant	11,358,076		108,045	\$ 1,182,115	(10,067,916)		(10,067,916)
Student transportation	6,210,016	478,380			(5,731,636)		(5,731,636)
Central services	2,487,299				(2,487,299)		(2,487,299)
Administrative information technology	2,856,299				(2,856,299)		(2,856,299)
Charter Schools	20,604				(20,604)		(20,604)
Post Secondary Programs	87,388				(87,388)		(87,388)
Interest and other charges on long-term obligations	3,165,797				(3,165,797)		(3,165,797)
Total governmental activities	168,312,662	2,165,321	3,183,912	1,182,115	(161,781,314)		(161,781,314)
Business-type activities							
Food service	2,381,284	2,468,690				\$ 87,406	87,406
Total business-type activities	2,381,284	2,468,690				87,406	87,406
Total primary government	<u>\$ 170,693,946</u>	<u>\$ 4,634,011</u>	<u>\$ 3,183,912</u>	<u>\$ 1,182,115</u>	<u>(161,781,314)</u>	<u>87,406</u>	<u>(161,693,908)</u>
General revenues:							
Property taxes, levied for general purposes					123,752,921		123,752,921
Property taxes, levied for debt service					5,773,361		5,773,361
Unrestricted federal sources					13,433		13,433
Unrestricted state sources					32,760,663		32,760,663
Investment earnings					642,669	17,129	659,798
Rental income					426,150		426,150
Miscellaneous income					1,414,895		1,414,895
Total general revenues					164,784,092	17,129	164,801,221
Change in net position					3,002,778	104,535	3,107,313
Net position—beginning of year (as reported)					64,528,589	134,573	64,663,162
Cumulative effect of change in accounting principle					(5,777,097)		(5,777,097)
Net position—beginning of year (as restated)					58,751,492	134,573	58,886,065
Net position—end of year					<u>\$ 61,754,270</u>	<u>\$ 239,108</u>	<u>\$ 61,993,378</u>

Fund Financial Statements

Governmental Funds

Livingston Board of Education
Governmental Funds
Balance Sheet
June 30, 2025

	Major Funds				Total Governmental Funds
	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	
Assets					
Cash and cash equivalents	\$ 13,375,381	\$ 649,586	\$ 474,163	\$ 156,151	\$ 14,655,281
Investments	100,002				100,002
Accounts receivable:					
State	2,285,201	1,108	1,182,115		3,468,424
Federal		277,398			277,398
Other Intergovernmental	10	11,156			11,166
Other	49,052				49,052
Total assets	<u>\$ 15,809,646</u>	<u>\$ 939,248</u>	<u>\$ 1,656,278</u>	<u>\$ 156,151</u>	<u>\$ 18,561,323</u>
Liabilities and fund balances					
Liabilities:					
Accounts payable	\$ 133,764	\$ 168,102			301,866
Other current liabilities	434,020				434,020
Intergovernmental payables:					
State		63,386			63,386
Unearned revenue	571,625	103,219			674,844
Payroll deductions and withholdings payable	61,774				61,774
Total liabilities	<u>1,201,183</u>	<u>334,707</u>			<u>1,535,890</u>
Fund balances:					
Restricted for:					
Capital reserve	6,888,443				6,888,443
Emergency reserve	837,556				837,556
Maintenance reserve	1,000,000				1,000,000
Excess fund balance - prior year designated for subsequent years	859,795				859,795
Debt service				\$ 156,151	156,151
Capital projects			\$ 1,656,278		1,656,278
Unemployment compensation	543,357				543,357
Student activities		604,541			604,541
Assigned to:					
Designated for subsequent years' expenditures	1,008,689				1,008,689
Other purposes	412,984				412,984
Unassigned	3,057,639				3,057,639
Total fund balances	<u>14,608,463</u>	<u>604,541</u>	<u>1,656,278</u>	<u>156,151</u>	<u>17,025,433</u>
Total liabilities and fund balances	<u>\$ 15,809,646</u>	<u>\$ 939,248</u>	<u>\$ 1,656,278</u>	<u>\$ 156,151</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 \$244,161,454 and the accumulated depreciation/amortization is \$105,674,712. 138,486,742

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. (556,608)

Gains 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. (4,265,000)

Deferred pension costs in governmental activities are not financial resources and are therefore not reported in the funds. 6,206,199

Accrued pension contributions for the June 30, 2025 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. (2,514,690)

Net pension liability is not due and payable in the current period and therefore is not reported as a liability in the funds. (25,899,642)

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. (66,728,164)

Net position of governmental activities \$ 61,754,270

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, 2025

	Major Funds				Total
	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Governmental Funds
Revenues					
Local sources:					
Local tax levy	\$ 123,752,921			\$ 5,773,361	\$ 129,526,282
Tuition	229,742				229,742
Tuition from other LEA's	172,751				172,751
Transportation fees from individuals	478,380				478,380
Interest on investments	574,164		\$ 68,505		642,669
Rental income	426,150				426,150
Miscellaneous	1,332,168	\$ 1,288,938		82,727	2,703,833
Total local sources	126,966,276	1,288,938	68,505	5,856,088	134,179,807
State sources	43,232,423	1,182,258	1,182,115	546,286	46,143,082
Federal sources	13,433	1,997,164			2,010,597
Total revenues	170,212,132	4,468,360	1,250,620	6,402,374	182,333,486
Expenditures					
Current:					
Instruction	62,667,153	2,502,189			65,169,342
Undistributed-current:					
Instruction	7,451,371				7,451,371
Attendance/social work	124,425				124,425
Health services	1,035,900				1,035,900
Support services	9,889,456	1,820,288			11,709,744
Improvement of instruction	2,689,692				2,689,692
School library	1,123,798				1,123,798
Instructional staff training	724,999				724,999
General administration	1,055,331				1,055,331
School administration	4,822,890				4,822,890
Required maintenance of plant services	1,823,748				1,823,748
Operation of plant	7,376,453				7,376,453
Student transportation	5,090,089				5,090,089
Central services	1,764,018				1,764,018
Administrative information technology	2,211,764				2,211,764
Unallocated benefits	23,255,468				23,255,468
On-behalf TPAF social security and pension contributions	31,455,568				31,455,568
Capital outlay	8,520,520	108,045	2,955,327		11,583,892
Post-Secondary programs	58,697				58,697
Charter Schools	20,604				20,604
Debt service:					
Principal				5,140,000	5,140,000
Interest				2,280,363	2,280,363
Cost of Issuance				186,567	186,567
Total expenditures	173,161,944	4,430,522	2,955,327	7,606,930	188,154,723
(Deficiency) excess of revenues (under) over expenditures	(2,949,812)	37,838	(1,704,707)	(1,204,556)	(5,821,237)
Other financing sources (uses):					
Financed purchases (non-budgeted)	1,094,653				1,094,653
Refunding bonds issuance				37,120,000	37,120,000
Premium on issuance of refunding bonds				1,653,227	1,653,227
Payment to refunding bond escrow agent				(38,586,660)	(38,586,660)
Transfers in	68,505		2,429,400	1,000,000	3,497,905
Transfers out	(2,429,400)		(1,068,505)		(3,497,905)
Total other financing sources (uses)	(1,266,242)		1,360,895	1,186,567	1,281,220
Net change in fund balances	(4,216,054)	37,838	(343,812)	(17,989)	(4,540,017)
Fund balances, July 1	18,824,517	566,703	2,000,090	174,140	21,565,450
Fund balances, June 30	\$ 14,608,463	\$ 604,541	\$ 1,656,278	\$ 156,151	\$ 17,025,433

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, 2025

Total net change in fund balances - governmental funds (from B-2) \$ (4,540,017)

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 capital asset additions exceeded depreciation/amortization expense in the period.

Capital additions	\$ 8,245,756	
Depreciation/amortization expense	<u>(7,013,784)</u>	1,231,972

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.

672,362

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	5,140,000	
Obligations under leases and financed purchases	<u>1,887,527</u>	7,027,527

Issuance of Long-term debt (refunding bonds) provide current financial resources to governmental funds,
which the repayment of the principal of the long term debt consumes the current financial resources of
governmental funds. Neither transactions, however, has any effect on net position.

Issuance of refunding bonds	(37,120,000)	
Bonds refunded	<u>38,025,000</u>	905,000

Financed purchase proceeds provides current financial resources to
governmental funds and has no effect on net position.

Principal portion	(1,094,653)
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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.

Premiums received on issuance of refunding bonds	(1,653,227)	
Amortization of premium on bonds	398,573	
Write off outstanding Premiums on Bonds due to Refunding	4,893,534	
Amortization of premium on leases	6,700	
Amortization of deferred loss (Gain) on refunding of debt	(32,419)	
Write off outstanding deferred loss due to current year refunding	(1,744,082)	
Deferred gain on refunding of debt	<u>(4,331,874)</u>	(2,462,795)

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	478,128
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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).

785,254

Change in net position of governmental activities (A-2)	<u><u>\$ 3,002,778</u></u>
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Proprietary Fund

Livingston Board of Education
Proprietary Fund

Statement of Net Position

June 30, 2025

	Major Enterprise Fund Food Service
Assets	
Current assets:	
Cash and cash equivalents	\$ 223,450
Inventories	18,765
Total current assets	<u>242,215</u>
Non-current assets:	
Capital assets - depreciable:	
Equipment	485,715
Accumulated depreciation	<u>(342,957)</u>
Total capital assets, net	<u>142,758</u>
Total assets	<u>384,973</u>
Liabilities	
Current liabilities:	
Unearned revenue	<u>145,865</u>
Total liabilities	<u>145,865</u>
Net position	
Investment in capital assets	142,758
Unrestricted	<u>96,350</u>
Total net position	<u>\$ 239,108</u>

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, 2025

	Major Enterprise Fund Food Service
Operating revenues:	
Local sources:	
Daily food sales	\$ 2,468,614
Special event income	76
Total operating revenues	<u>2,468,690</u>
Operating expenses:	
Salaries	693,209
Employee benefits	225,521
Supplies and materials	97,209
Purchased property services	12,968
Other purchased services	19,459
Cost of sales	1,162,596
Depreciation	24,255
Management fee	136,259
Miscellaneous	9,808
Total operating expenses	<u>2,381,284</u>
Operating income	87,406
Nonoperating revenues:	
Interest	17,129
Total nonoperating revenues	<u>17,129</u>
Change in net position	104,535
Total net position-beginning	134,573
Total net position-ending	<u><u>\$ 239,108</u></u>

See accompanying notes to the basic financial statements.

Livingston Board of Education
Proprietary Fund

Statement of Cash Flows

Year ended June 30, 2025

	Major Enterprise Fund Food Service
Cash flows from operating activities	
Receipts from customers	\$ 2,469,997
Payments to employees and for employee benefits	(918,730)
Payments to suppliers	(1,566,915)
Net cash used for operating activities	<u>(15,648)</u>
Cash flows from capital and related financing activities	
Purchase of capital assets	(107,351)
Net cash used for capital and related financing activities	<u>(107,351)</u>
Cash flows from investing activity	
Interest received	17,129
Net cash provided by investing activity	<u>17,129</u>
Net decrease in cash and cash equivalents	(105,870)
Cash and cash equivalents, beginning of year	329,320
Cash and cash equivalents, end of year	<u><u>\$ 223,450</u></u>
Reconciliation of operating income to net cash used for operating activities:	
Operating income	\$ 87,406
Adjustments to reconcile operating income to net cash used for operating activities:	
Depreciation	24,255
Change in assets and liabilities:	
Decrease in accounts receivable	11,634
Decrease in inventory	1,890
Decrease in accounts payable	(130,506)
Decrease in unearned revenue	(10,327)
Net cash used for operating activities	<u><u>\$ (15,648)</u></u>

See accompanying notes to the basic financial statements.

Livingston Board of Education

Notes to the Basic Financial Statements

Year ended June 30, 2025

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.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the District. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported in the basic financial statements and are reported separately from business-type activities, which rely on a significant extent on fees and charges for support.

Livingston Board of Education

Notes to the Basic Financial Statements

Year ended June 30, 2025

1. Summary of Significant Accounting Policies (continued)

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 and financed purchases, 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. All other revenue items are considered to be measurable and available only when the District receives cash.

Livingston Board of Education
Notes to the Basic Financial Statements

Year ended June 30, 2025

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

Year ended June 30, 2025

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.

Livingston Board of Education
Notes to the Basic Financial Statements

Year ended June 30, 2025

1. Summary of Significant Accounting Policies (continued)

D. Budgets/Budgetary Control

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue and debt service funds. The budgets are submitted to the county superintendent and approved by the Department of Education. Budgets are prepared using the modified accrual basis of accounting and the special revenue fund uses a non-GAAP budget (budgetary basis). The legal level of budgetary control is established at line-item accounts within each fund. Line-item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referred in N.J.A.C. 6A:23. All budget amendments must be approved by School Board resolution. The over-expenditures related to on-behalf payments in the general fund are due to the inclusion of the non-budgeted on-behalf payments made by the State of New Jersey as District expenditures. These amounts are offset by related revenues and as such do not represent budgetary over-expenditures.

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

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. 72 *Fair Value Measurement and Application*. The District classifies certificates of deposit, which have original maturity dates of more than three months but less than twelve months from the date of purchase, as investments and are stated at cost. All other investments are stated at fair value.

Livingston Board of Education
Notes to the Basic Financial Statements

Year ended June 30, 2025

1. Summary of Significant Accounting Policies (continued)

F. Interfund Receivables/Payables

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

G. Inventories

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

H. Capital Assets

Capital assets are tangible and intangible assets which include land, buildings, property, plant and equipment and construction in progress, are reported in the applicable governmental activities in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$2,000 and an estimated useful life in excess of two years. Such assets (except intangible right-to-use assets, which is discussed in note 4) are recorded at historical cost. Donated capital assets are valued at their acquisition value on the date of acquisition. Intangible assets follow the same capitalization policies as tangible assets and are reported with tangible capital assets and are reported with the tangible assets in the appropriate capital asset class. The costs of normal repairs and maintenance that do not add to the value of the asset or materially extend the assets lives are not capitalized.

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

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

Livingston Board of Education
Notes to the Basic Financial Statements

Year ended June 30, 2025

1. Summary of Significant Accounting Policies (continued)

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

I. Accrued Salaries and Wages

Certain District employees who provided services to the District over the ten-month academic year have the option to have their salaries evenly disbursed during the entire twelve-month year. New Jersey statutes require that these earned but not disbursed amounts be retained in a separate bank account. The amount earned by these employees was disbursed prior to June 30, 2025.

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 one item that qualifies for reporting in this category, 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 apply to future periods and so will *not* be recognized as an inflow of resources (revenue) until that time. The District has two items that qualify for reporting in this category, including deferred amounts from the gain from the refunding of debt and deferred amounts related to pensions.

K. Deferred Gain on Defeasance of Debt

Deferred gain on refunding arising from the issuance of refunding bonds is recorded as a deferred inflow of resources. It is amortized in a systematic and rational manner over the duration of the related debt as a component of interest expense. The amortization expense related to the 2016 bonds refunded during the year ended June 30, 2025 amounted to \$99,293. Amortization of the gain on the refunding bonds issued during the year ended June 30, 2025 amounted to \$66,874. As of June 30, 2025, the District has an unamortized balance of \$4,265,000 recorded as a deferred inflow of resources.

Livingston Board of Education
Notes to the Basic Financial Statements

Year ended June 30, 2025

1. Summary of Significant Accounting Policies (continued)

L. Compensated Absences

The liability for compensated absences represents the vacation and sick time ("leave"/"leave days") and salary related payments which have been earned for services previously rendered by employees in accordance with the District's various collective bargaining agreements, accumulates, is allowed to be carried over to subsequent year(s) and is deemed more likely than not (by management) to be used for time off or otherwise paid/settled in the future. The liability is calculated based on each employee's rate of pay and the number of unused leave days accumulated as of year-end, management's assumption that likelihood of future use (either by use during employment or settlement/payment upon separation from service) is probable, and the salary-related payments that are directly and incrementally associated with payments for the leave. The District utilizes historical data of past usage patterns to estimate the expected usage and payment of compensated absences.

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 non-cancellable 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.

Livingston Board of Education
Notes to the Basic Financial Statements

Year ended June 30, 2025

1. Summary of Significant Accounting Policies (continued)

N. Leases (continued)

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

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

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

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

O. Fund Balances

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

- 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.

Livingston Board of Education
Notes to the Basic Financial Statements

Year ended June 30, 2025

1. Summary of Significant Accounting Policies (continued)

O. Fund Balances (continued)

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

Livingston Board of Education
Notes to the Basic Financial Statements

Year ended June 30, 2025

1. Summary of Significant Accounting Policies (continued)

O. Fund Balances (continued)

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 \$14,608,463 of fund balance in the General Fund, \$6,888,443 has been restricted in the capital reserve account, \$837,556 has been restricted in an emergency reserve account, \$1,000,000 has been restricted in a maintenance reserve account, \$859,795 has been restricted for excess fund balance that has been designated for subsequent year's expenditures, \$543,357 has been reserved for unemployment compensation, \$412,984 of outstanding encumbrances is assigned to other purposes, \$1,008,689 is designated for subsequent years' expenditures, and \$3,057,639 is unassigned. There is \$604,541 of fund balances in the Special Revenue Fund at June 30, 2025, which is restricted for student activities. There is \$1,656,278 of fund balance in the Capital Projects Fund at June 30, 2025, which is restricted for capital projects. There is \$156,151 of fund balance at June 30, 2025 in the Debt Service Fund, of which \$73,424 has been budgeted for use in the 2025-26 budget.

P. Net Position

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

Q. Management Estimates

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

Livingston Board of Education
Notes to the Basic Financial Statements

Year ended June 30, 2025

1. Summary of Significant Accounting Policies (continued)

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 adjusted by \$26,904,159 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, 2025 was \$859,795 of which the full amount has been appropriated in the 2025-2026 budget.

T. GASB Pronouncements

Recently Issued and Adopted Accounting Principles

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. Management implemented this Statement during the 2024-2025 fiscal year. See Note 19.

The GASB issued Statement No. 102, *Certain Risk Disclosures* in January 2024. The objective of the Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. The requirements of this Statement are effect for periods beginning after June 15, 2024, and all reporting periods thereafter. Management has reviewed the Statement and determined it did not have an impact on the financial statements.

Livingston Board of Education
Notes to the Basic Financial Statements

Year ended June 30, 2025

1. Summary of Significant Accounting Policies (continued)

T. GASB Pronouncements (continued)

The GASB issued Statement No. 103, *Financial Reporting Model Improvements* in April 2024. The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. The requirements of this Statement are effective for periods beginning after June 15, 2025, and all reporting periods thereafter. Management has not determined the impact of the Statement on the financial statements.

The GASB issued Statement No. 104, *Disclosure of Certain Capital Assets* in September 2024. The objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets including lease assets, intangible right-to-use assets, subscription assets, other intangible assets and assets held for sale. The requirements of this Statement are effective for periods beginning after June 15, 2025, and all reporting periods thereafter. 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, 2025 and December 5, 2025 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

Year ended June 30, 2025

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 \$66,728,164 difference are as follows:

Bonds payable	\$47,965,000
Premium on bonds and leases	1,633,335
Financed purchases payable	4,766,178
Leases payable	707,613
Compensated absences payable	<u>11,656,038</u>
Net adjustment to reduce fund balance - total governmental funds to arrive at net position - governmental activities	<u><u>\$66,728,164</u></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

Year ended June 30, 2025

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, 2025, the carrying amount of the District's deposits was \$14,878,731 and the bank balance was \$23,015,946. 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 21,213,257. \$1,552,689 held in the District agency accounts is not covered by GUDPA.

Livingston Board of Education
Notes to the Basic Financial Statements

Year ended June 30, 2025

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, 2025:

- Solar Renewable Energy Credits in the amount of \$100,002 are valued using quoted market prices (Level 1 inputs).

Custodial Credit Risk: Pursuant to GASB Statement No. 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.

Livingston Board of Education
Notes to the Basic Financial Statements

Year ended June 30, 2025

3. Deposits and Investments (continued)

Credit Risk: The District does not have an investment policy regarding the management of credit risk. GASB Statement No. 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, 2025, 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, 2025:

	Beginning Balance	Increases	Ending Balance
Governmental activities:			
Capital assets, not being depreciated/amortized:			
Land	\$ 3,253,263		\$ 3,253,263
Construction in progress		\$ 67,039	67,039
Total capital assets, not being depreciated/amortized	<u>3,253,263</u>	<u>67,039</u>	<u>3,320,302</u>
Capital assets, being depreciated/amortized:			
Land improvements	2,902,913		2,902,913
Buildings and building improvements	200,041,102	5,294,264	205,335,366
Machinery, equipment and vehicles	27,890,131	2,884,453	30,774,584
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	<u>232,662,435</u>	<u>8,178,717</u>	<u>240,841,152</u>
Less accumulated depreciation/amortization for:			
Land improvements	(2,577,943)	(51,967)	(2,629,910)
Buildings and building improvements	(74,492,893)	(4,715,447)	(79,208,340)
Machinery, equipment and vehicles	(20,655,975)	(2,009,926)	(22,665,901)
Right to use assets - building	(394,636)	(131,545)	(526,181)
Right to use assets - equipment	(539,481)	(104,899)	(644,380)
Total accumulated depreciation/amortization	<u>(98,660,928)</u>	<u>(7,013,784)</u>	<u>(105,674,712)</u>
Total capital assets, being depreciated/amortized, net	<u>134,001,507</u>	<u>1,164,933</u>	<u>135,166,440</u>
Governmental activities capital assets, net	<u>\$ 137,254,770</u>	<u>\$ 1,231,972</u>	<u>\$ 138,486,742</u>

Livingston Board of Education
Notes to the Basic Financial Statements

Year ended June 30, 2025

4. Capital Assets (continued)

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

Instruction:	
Regular	\$4,003,412
Undistributed-current:	
Instruction	457,744
Attendance/social work	7,644
Health services	63,636
Support services	719,340
Improvement of instruction	165,230
School library	69,036
Other support: instruction staff	44,537
General administration	64,830
School administration	296,274
Required maintenance of plant services	112,034
Operation of plant	453,142
Student transportation	312,689
Central services	108,365
Admin info technology	<u>135,871</u>
Total depreciation expense – governmental activities	<u>\$7,013,784</u>

The following is a summary of business-type activity changes in capital assets for the year ended June 30, 2025:

	Beginning Balance	Increases	Ending Balance
Business-type activities:			
Capital assets, being depreciated:			
Machinery, equipment and vehicles	\$ 378,364	\$107,351	\$ 485,715
Less accumulated depreciation for:			
Machinery, equipment and vehicles	<u>(318,702)</u>	<u>(24,255)</u>	<u>(342,957)</u>
Business-type activities capital assets, net	<u>\$ 59,662</u>	<u>\$ 83,096</u>	<u>\$ 142,758</u>

Livingston Board of Education

Notes to the Basic Financial Statements

Year ended June 30, 2025

5. Long-Term Liabilities

During the year ended June 30, 2025, the following changes occurred in long-term liabilities:

	Beginning Balance	Cumulative Effect of Change in Accounting Principle*	Beginning Balance (As restated)	Additions	Reductions	Ending Balance	Due within One Year
Governmental Activities:							
Compensated absences payable	\$ 6,664,195	\$ 5,777,097	\$ 12,441,292		\$ (785,254) **	\$ 11,656,038	\$ 1,165,604
Premiums on bonds	5,272,215		5,272,215	\$ 1,653,227	(5,292,107)	1,633,335	135,116
Premiums on leases	6,700		6,700		(6,700)		
Serial bonds payable	54,010,000		54,010,000	37,120,000	(43,165,000)	47,965,000	5,765,000
Financed purchases payable	5,322,818		5,322,818	1,094,653	(1,651,293)	4,766,178	1,553,215
Leases payable	943,847		943,847		(236,234)	707,613	119,684
Subtotal	72,219,775	5,777,097	77,996,872	39,867,880	(51,136,588)	66,728,164	8,738,619
Net pension liability	28,638,681		28,638,681		(2,739,039)	25,899,642	
Total governmental activities long-term liabilities	\$100,858,456	\$5,777,097	\$ 106,635,553	\$ 39,867,880	\$ (53,875,627)	\$ 92,627,806	\$ 8,738,619

* See Note 19

** The change in the compensated absences liability is presented as a net change.

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.

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

Year ended June 30, 2025

5. Long-Term Liabilities (continued)

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

Fiscal year ending June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 5,765,000	\$ 1,302,962	\$ 7,067,962
2027	4,420,000	1,550,850	5,970,850
2028	4,560,000	1,385,000	5,945,000
2029	4,595,000	1,215,900	5,810,900
2030	3,930,000	1,055,900	4,985,900
2031-2035	17,910,000	3,224,800	21,134,800
2036-2038	6,785,000	323,900	7,108,900
	<u>\$ 47,965,000</u>	<u>\$ 10,059,312</u>	<u>\$58,024,312</u>

In April 2025, the District issued \$38,025,000 of refunding bonds to provide resources to refund a portion of the District's outstanding debt. The refunding resulting in a net present value savings of \$2,938,901 and actual savings of \$905,000. As a result of the refunding, the refunded bonds were placed in escrow and bond holders were paid in full on July 15, 2025 and no defeased debt remains outstanding.

At June 30, 2025, there are no bonds and notes authorized but not issued. Bonds payable at June 30, 2025 are comprised of the following issues:

- \$2,700,000, 2013 school bonds due in annual installments ranging from \$650,000 to \$700,000 through August 2028 at an interest rate of 3.00%.
- \$4,200,000, 2015 school bonds due in annual installments of \$700,000 through August 2030 at interest rates ranging from 1.25% to 3.00%.
- \$3,945,000, 2015 school bonds due in August 2025 at an interest rate of 5.00%.
- \$37,120,000, 2025 refunding bonds due in annual installments of \$470,000 to \$3,630,000 through July 2037 at an interest rate of 4.00%.

Livingston Board of Education
Notes to the Basic Financial Statements

Year ended June 30, 2025

5. Long-Term Liabilities (continued)

Financed Purchases Payable

The District has remaining financed purchases payable totaling \$4,766,178 with interest rates ranging from 0.93% to 4.15%. 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, 2025:

Fiscal year ending June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 1,553,215	\$ 124,303	\$ 1,677,518
2027	1,473,402	89,657	1,563,059
2028	1,211,966	54,920	1,266,886
2029	527,595	21,895	549,490
	<u>\$ 4,766,178</u>	<u>\$ 290,775</u>	<u>\$ 5,056,953</u>

Leases Payable

The District has remaining leases payable totaling \$707,613 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, 2025:

Fiscal year ending June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 119,684	\$ 15,482	\$ 135,166
2027	120,905	13,161	134,066
2028	120,905	10,633	131,538
2029	120,905	7,780	128,685
2030	120,907	4,668	125,575
2031	104,307	1,556	105,863
	<u>\$ 707,613</u>	<u>\$ 53,280</u>	<u>\$ 760,893</u>

Livingston Board of Education
Notes to the Basic Financial Statements

Year ended June 30, 2025

5. Long-Term Liabilities (continued)

Many of the assets acquired through the leases and financed purchases are below the capitalization threshold of the District. Assets capitalized through financed purchases payable and leases at June 30, 2025 are as follows:

Machinery, equipment and vehicles	\$ 22,738,436
Right to use assets - building	1,183,909
Right to use assets - equipment	644,380
Less: Accumulated depreciation / amortization	<u>(18,406,730)</u>
Total	<u>\$ 6,159,995</u>

6. Pension Plans

Description of Systems

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

Teachers' Pension and Annuity Fund

The Teachers' Pension and Annuity Fund was established in January 1955 under the provisions of N.J.S.A. 18A:66 to provide coverage, including post-retirement health care, to substantially all full-time public-school employees in the State. Members are fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on contributions. In the case of death before retirement, members beneficiaries are entitled to full interest credited to the members' accounts.

Livingston Board of Education
Notes to the Basic Financial Statements

Year ended June 30, 2025

6. Pension Plans (continued)

Service retirement benefits of $1/55^{\text{th}}$ of final average salary for each year of service credit is available to Tiers 1 and 2 members upon reaching the age of 60 and to Tier 3 members upon reaching age 62. Service retirement benefits of $1/60^{\text{th}}$ of final average salary for each year of service credit is available to Tier 4 members upon reaching the age of 62 and Tier 5 members upon reaching the age of 65. Early retirement benefits are available to Tiers 1 and 2 members with 25 years or more of service credit before reaching age 60, Tiers 3 and 4 members with 25 years or more of service credit before age 62 and Tier 5 with 30 years or more of service credit before age 65. Benefits are reduced by a fraction of a percent each month when a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Public Employees' Retirement System

The Public Employees' Retirement System (PERS) was established in January 1955 and the contribution policy, vesting and benefit provisions are set by the provisions of N.J.S.A. 43:15A to provide coverage including post-retirement health care to substantially all full-time employees of the State of New Jersey or any county, municipality, school board or public agency, provided the employee is not a member of another State-administered retirement system or other state pension fund or local jurisdiction's pension fund.

Members are classified into one of five tiers dependent upon the date of their enrollment. Service retirement benefits of $1/55^{\text{th}}$ of final average salary for each year of service credit is available to Tiers 1 and 2 members upon reaching the age of 60 and to tier 3 members upon reaching age 62. Service retirement benefits of $1/60^{\text{th}}$ of final average salary for each year of service credit is available to Tier 4 members upon reaching the age of 62 and Tier 5 members upon reaching the age of 65. Early retirement benefits are available to Tiers 1 and 2 members with 25 years or more of service credit before reaching age 60, Tiers 3 and 4 members with 25 years or more of service credit before age 62 and Tier 5 with 30 years or more of service credit before age 65. Benefits are reduced by a fraction of a percent each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Livingston Board of Education
Notes to the Basic Financial Statements

Year ended June 30, 2025

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. Employee contribution rates for TPAF and PERS are 7.5% of employees' pensionable compensation. Employers are required to contribute at an actuarially determined rate in both the TPAF and PERS. The actuarially determined contribution includes funding for noncontributory death benefits and post-retirement medical premiums. Under current statute the District is a non-contributing employer of the TPAF.

During the year ended June 30, 2025, the State of New Jersey contributed \$26,904,159 to the TPAF for on-behalf pension and post-retirement medical benefits on behalf of the District. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$4,551,409 during the year ended June 30, 2025 for the employer's share of social security contributions for TPAF members as calculated on their base salaries.

The District's actuarially determined contributions to PERS for each of the years ended June 30, 2025, 2024 and 2023 were \$2,593,644, \$2,642,598, and \$1,746,841, respectively.

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

Livingston Board of Education
Notes to the Basic Financial Statements

Year ended June 30, 2025

6. Pension Plans (continued)

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, 2025, the District reported a liability of \$25,899,642 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation July 1, 2023, which was rolled forward to June 30, 2024. 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, 2024, the District's proportion was 0.1187610560 percent, which was a decrease of 0.0045084667 from its proportion measured as of June 30, 2023.

For the year ended June 30, 2025, the District recognized full accrual pension benefit of \$1,609,902 in the government-wide financial statements. At June 30, 2025, 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	\$ 32,176	\$ 294,678
Difference between expected and actual experience	518,818	68,952
Changes in proportion	5,985,135	
Net difference between projected and actual earnings on pension plan investments		1,200,896
Changes in proportion and differences between District contributions and proportionate share of contributions		1,280,094
District contributions subsequent to the measurement date	2,514,690	
	<u>\$ 9,050,819</u>	<u>\$ 2,844,620</u>

\$2,514,690 is reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date will be recognized as a reduction to the net pension liability in the year ending June 30, 2025.

Livingston Board of Education
Notes to the Basic Financial Statements

Year ended June 30, 2025

6. Pension Plans (continued)

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:	
2026	\$ 601,157
2027	2,118,831
2028	1,248,825
2029	(272,864)
2030	(4,440)
	<u>\$ 3,691,509</u>

Actuarial Assumptions

The collective total pension liability for the June 30, 2024 measurement date was determined by an actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024. This actuarial valuation used the following actuarial assumptions:

Inflation rate:	
Price	2.75%
Wage	3.25%
Salary increases:	
	2.75-5.65%
	based on years of service
Investment rate of return	7.00%

The actuarial assumptions used in the July 1, 2023 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

Livingston Board of Education
Notes to the Basic Financial Statements

Year ended June 30, 2025

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, 2024) 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, 2024 are summarized in the following table:

Livingston Board of Education
Notes to the Basic Financial Statements

Year ended June 30, 2025

6. Pension Plans (continued)

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Equity	28.00%	8.63%
Non-U.S. Developed Markets Equity	12.75%	8.65%
International Small Cap Equity	1.25%	8.85%
Emerging Markets Equity	5.50%	10.66%
Private Equity	13.00%	12.40%
Real Estate	8.00%	10.95%
Real Assets	3.00%	8.20%
High Yield	4.50%	6.74%
Private Credit	8.00%	8.90%
Investment Grade Credit	7.00%	5.37%
Cash Equivalents	2.00%	3.57%
U.S. Treasuries	4.00%	3.57%
Risk Mitigation Strategies	3.00%	7.10%
	100.00%	

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2024. 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 non-employer 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.

Livingston Board of Education
Notes to the Basic Financial Statements

Year ended June 30, 2025

6. Pension Plans (continued)

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

The following presents the District's proportionate share of the net pension liability as of June 30, 2024, calculated using the discount rate as disclosed above as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	At 1% Decrease (6.00%)	At Current Discount Rate (7.00%)	At 1% Increase (8.00%)
District's proportionate share of the net pension liability	\$ 3,414,257	\$ 25,899,642	\$ 18,653,752

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, 2024 are as follows:

Deferred outflows of resources	\$ 1,079,580,780
Deferred inflows of resources	1,611,322,898
Net pension liability	13,702,423,985
State's proportionate share associated with the District	0.1906060837%

Collective pension expense for the Local Group for the measurement period ended June 30, 2024 is \$372,160,096.

Livingston Board of Education
Notes to the Basic Financial Statements

Year ended June 30, 2025

6. Pension Plans (continued)

The average of the expected remaining service lives of all employees that are provided with pension through the pension plan (active and inactive employees) determined at July 1, 2024, 2023, 2022, 2021, 2020 and 2019 is 5.08, 5.08, 5.04, 5.13, 5.16 and 5.21 years, respectively.

Special Funding Situation

A special funding situation exists for certain local participating employers in the PERS. The State of New Jersey, a non-employer contributing entity, is required to pay the additional costs incurred by local employers under Chapter 366, P.L. 2001 and Chapter 133, P.L. 2001. The June 30, 2024 State special funding situation net pension liability amount of \$114.3 million is the accumulated difference between the annual actuarially determined State obligation under the special funding situation and the actual State contribution through the valuation date. The special funding situation for Chapter 133, P.L. 2001 is due to the State paying the additional normal cost related to benefit improvements from Chapter 133.

Previously, this additional normal cost was paid from the Benefit Enhancement Fund (BEF). As of June 30, 2024, there was no net pension liability associated with this special funding situation there was no accumulated difference between the annual additional normal cost under the special funding situation and the actual State contribution through the valuation date. The State special funding situation pension expense of \$53.7 million, for the fiscal year ending June 30, 2024, is the actuarially determined contribution amount that the State owes for the fiscal year ending June 30, 2024. The pension expense is deemed to be a State administrative expense due to the special funding situation.

The District's expense and related revenue pertaining to the special funding situation is \$83,501.

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 non-employer contributing entity. Since the local participating employers do not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers. However, the notes to the financial statements of the local participating employers must disclose the portion of the non-employer contributing entities' total proportionate

Livingston Board of Education
Notes to the Basic Financial Statements

Year ended June 30, 2025

6. Pension Plans (continued)

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, 2024 was \$243,480,622. The District's proportionate share was \$0. For fiscal year 2024, the State's pension contribution was more than the actuarial determined amount.

The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024. 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, 2024, the State's proportionate share of the TPAF net pension liability associated with the District was 0.4926253858 percent, which was a decrease of 0.0013160698 from its proportion measured as of June 30, 2023.

For the year ended June 30, 2025, the District recognized on-behalf pension expense and revenue in the government-wide financial statements of (\$15,609,169) for contributions incurred by the State.

Actuarial assumptions

The total pension liability for the June 30, 2024 measurement date was determined by an actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024. 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:	2.75-5.65%
	based on years of service
Investment rate of return	7.00%

Livingston Board of Education
Notes to the Basic Financial Statements

Year ended June 30, 2025

6. Pension Plans (continued)

Mortality Rates

Pre-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Employee mortality table with a 93.9% adjustment for males and 85.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Healthy Retiree mortality table with a 114.7% adjustment for males and 99.6% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability mortality rates were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 106.3% adjustment for males and 100.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

The actuarial assumptions used in the July 1, 2023 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, 2024) 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 TPAF's target asset allocation as of June 30, 2024 are summarized in the following table:

Livingston Board of Education
Notes to the Basic Financial Statements

Year ended June 30, 2025

6. Pension Plans (continued)

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Equity	28.00%	8.63%
Non-U.S. Developed Markets Equity	12.75%	8.85%
International Small Cap Equity	1.25%	8.85%
Emerging Markets Equity	5.50%	10.66%
Private Equity	13.00%	12.40%
Real Estate	8.00%	10.95%
Real Assets	3.00%	8.20%
High Yield	4.50%	6.74%
Private Credit	8.00%	8.90%
Investment Grade Credit	7.00%	5.37%
Cash Equivalents	2.00%	3.57%
U.S. Treasuries	4.00%	3.57%
Risk Mitigation Strategies	3.00%	7.10%
	<u>100.00%</u>	

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2024. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on 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 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 determining the total pension liability.

Livingston Board of Education
Notes to the Basic Financial Statements

Year ended June 30, 2025

6. Pension Plans (continued)

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

The following presents the State's proportionate share of the net pension liability associated with the District as of June 30, 2024 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 or 1-percentage-point higher 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	\$ 289,411,188	\$ 243,480,622	\$ 204,798,403

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, 2024 are as follows:

Deferred outflows of resources	\$ 1,176,934,477
Deferred inflows of resources	10,530,833,639
Net pension liability	49,425,106,602
State's proportionate share associated with the District	0.4926253858%

Collective pension benefit of the Local Group for the plan for the measurement period ended June 30, 2024 is \$148,167,647.

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, 2024, 2023, 2022, 2021, 2020 and 2019 is 7.84, 7.93, 7.83, 7.93, 8.04 and 8.29 years, respectively.

Livingston Board of Education
Notes to the Basic Financial Statements

Year ended June 30, 2025

7. Post-Retirement Benefits

General Information about the OPEB Plan

State Health Benefits Local Education Retired Employee Plan

The State Health Benefits Local Education Retired Employees Plan is a multiple-employer defined benefit OPEB plan that is administered on a pay-as-you-go basis. Accordingly, no assets are accumulated in a qualifying trust that meets the criteria in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The State Health Benefits Local Education Retired Employees Plan provides medical, prescription drug and Medicare Part B reimbursement to retirees and their covered dependents of local education employers.

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

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 required to accrue a liability in all instances where statutory language names the State as the legal obligor for benefit payments. The Fiscal Year 2022 State OPEB liability to provide these benefits was \$88.9 billion, a decrease of \$12.7 billion, or 12.5 percent from the \$101.6 billion liability recorded in Fiscal Year 2021. Additional information on Pensions and OPEB can be accessed on the Division of Pensions & Benefits Financial Reports webpage: <https://www.state.nj.us/treasury/pensions/financialreports.shtml>.

Livingston Board of Education
Notes to the Basic Financial Statements

Year ended June 30, 2025

7. Post-Retirement Benefits (continued)

Employees covered by benefit terms

The following employees were covered by the benefit terms:

<u>Local Education</u>	<u>June 30, 2024</u>
Active Plan Members	219,185
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	153,556
Inactive Plan Members Entitled to but Not Yet Receiving Benefits	
Total Plan Members	<u><u>372,741</u></u>

Actuarial assumptions and other inputs

The total non-employer OPEB liability of \$59,650,630,530 as of June 30, 2024 was determined by an actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024 and included in the June 30, 2024 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:

	<u>TPAF</u>	<u>PERS</u>
Salary Increases:	2.75 - 5.65%	2.75 - 6.55%
	based on years of service	based on years of service

Mortality Rates

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

Year ended June 30, 2025

7. Post-Retirement Benefits (continued)

Actuarial assumptions used in the July 1, 2023 valuation were based on the results of the TPAF and PERS experience studies prepared for July 1, 2018 to June 30, 2021.

100% of active members are considered to participate in the Plan upon retirement.

Discount Rate

The discount rate used to measure the total OPEB liability for June 30, 2024 was 3.93%. 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 7.50% and decreases to a 4.50% long-term trend rate after nine years. For post-65 medical benefits PPO, the trend is increasing to 19.36% in fiscal year 2027 and decreases to 4.50% in fiscal year 2034. For HMO, the trend is increasing to 22.88% in fiscal year 2027 and decreases to 4.50% in fiscal year 2034. For prescription drug benefits, the initial trend rate is 12.25% and decreases to a 4.50% long-term trend rate after nine years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

Changes in Total Non-employer OPEB Liability

Below represents the changes in the District's total OPEB liability for the year ended June 30, 2024:

	<u>Total OPEB Liability</u>
Beginning Total OPEB Liability, June 30, 2023	\$202,875,043
Changes for the year:	
Service cost	9,619,407
Interest	7,584,518
Differences between expected and actual experiences	(1,313,566)
Changes in assumptions or other inputs	17,237,656
Members contributions	198,338
Benefit payments	(5,792,419)
Net Changes	<u>27,533,934</u>
Ending Total OPEB Liability, June 30, 2024	<u>\$ 230,408,977</u>

Livingston Board of Education

Notes to the Basic Financial Statements

Year ended June 30, 2025

7. Post-Retirement Benefits (continued)

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, 2024 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 (2.93%) or 1-percentage-point higher (4.93%) than the current rate:

	At 1% Decrease (2.93%)	At Current Discount Rate (3.93%)	At 1% Increase (4.93%)
Net OPEB Liability (allocable to the District and the responsibility of the State)	\$ 269,858,258	\$ 230,408,977	\$ 198,683,567

The following presents the total non-employer OPEB liability associated with the District as of June 30, 2024 calculated using a healthcare cost trend rate as disclosed above as well as what the total non-employer OPEB liability would be if it was calculated using a healthcare trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rate:

	At 1% Decrease	At Healthcare Cost Trend Rate	At 1% Increase
Net OPEB Liability (allocable to the District and the responsibility of the State)	\$ 191,932,355	\$ 230,408,977	\$ 280,527,316

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

For the year ended June 30, 2024, the District recognized on-behalf OPEB expense and revenue in the government-wide financial statements of \$9,442,758 for OPEB expenses incurred by the State. Collective balances of the Local Education Group at June 30, 2024 are as follows:

Deferred outflows of resources	\$ 18,640,445,786
Deferred inflows of resources	25,058,850,175
Collective OPEB expense	1,999,742,665
District's proportion	0.40%

Livingston Board of Education
Notes to the Basic Financial Statements

Year ended June 30, 2025

7. Post-Retirement Benefits (continued)

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

There were no interfund balances for the District at June 30, 2025. All prior year interfunds were 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, 2025 may be impaired. The District has received funding under several federal and state grants. To the extent that the District has not complied with the rules and regulations governing the grant funds, funds 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. In addition, during the 2024-25 fiscal year, the District did not file all payroll agency remissions in the correct amounts and timely to federal and state agencies. As a result, the District could be subject and penalties and interest.

Livingston Board of Education

Notes to the Basic Financial Statements

Year ended June 30, 2025

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	Beginning Balance	Contributions and Interest Earnings	Ending Balance	Analysis of Balance	
				Fund Balance Restricted	Other Liability For Claims
2024-2025	\$ 934,479	\$ 33,678	\$ 968,157	\$ 543,357	\$ 424,800
2023-2024	670,043	264,436	934,479	543,357	391,122
2022-2023	543,357	126,686	670,043	543,357	126,686

Livingston Board of Education
Notes to the Basic Financial Statements

Year ended June 30, 2025

12. Transfers – Reconciliation

The following represents transfers between funds during the year ended June 30, 2025:

	Transfers In	Transfers Out
General Fund	\$ 68,505	\$ 2,429,400
Capital Projects Fund	2,429,400	1,068,505
Debt Service Fund	1,000,000	
	<u>\$ 3,497,905</u>	<u>\$ 3,497,905</u>

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 capital projects fund represents the local share of funding for approved New Jersey Schools Development Authority ROD grant projects. The transfer from the capital projects fund to the debt service fund represents unused referendum 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.

Livingston Board of Education
Notes to the Basic Financial Statements

Year ended June 30, 2025

13. Capital Reserve Account (continued)

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, 2024 to June 30, 2025 fiscal year is as follows:

Beginning balance, July 1, 2024	\$ 9,778,014
Withdrawals (budgeted)	(5,321,262)
Interest earnings	131,691
Deposit per June 2025 resolution	2,300,000
Ending balance, June 30, 2025	<u>\$ 6,888,443</u>

The June 30, 2025 capital reserve balance does not exceed local support costs identified in the District's Long Range Facility Plan at June 30, 2025. The District has budgeted \$5,158,831 capital reserve funds for use in the District's 2025-2026 fiscal year.

14. Emergency Reserve Account

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

The activity of the emergency reserve account for the July 1, 2024 to June 30, 2025 fiscal year is as follows:

Beginning balance, July 1, 2024	\$ 1,000,000
Withdrawals	(162,444)
Ending balance, June 30, 2025	<u>\$ 837,556</u>

Livingston Board of Education
Notes to the Basic Financial Statements

Year ended June 30, 2025

15. Maintenance Reserve Account

The District elected to establish a reserve to be used to accumulate funds for the required maintenance of a facility, and in accordance with N.J.S.A. 18A:7G-9, as amended by P.L. 2004, c. 73 (S1701), passed a board resolution authorizing the establishment of a maintenance reserve account in the District's General Fund. As allowed by N.J.S.A. 18A:F-41 and N.J.A.C. 6A:23A-14.3 the District can adopt a board resolution to deposit funds into a maintenance reserve account between June 1 and June 30 of each budget year.

The activity of the maintenance reserve account for the July 1, 2024 to June 30, 2025 fiscal year is as follows:

Beginning balance, July 1, 2024	\$ 500,000
Deposit per June 2025 resolution	500,000
Ending balance, June 30, 2025	<u>\$ 1,000,000</u>

16. Commitments

The District has \$412,984 in commitments to vendors that are reported in the balance sheet of the general fund as assigned to other purposes.

17. GASB 77 Tax Abatements

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

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

Livingston Board of Education
Notes to the Basic Financial Statements

Year ended June 30, 2025

17. GASB 77 Tax Abatements (continued)

For the 2025 year, the Township recognized revenue of \$1,306,604 from the annual service charge in lieu of payment of taxes, while the taxes that would have been paid for this property were \$4,397,720, resulting in a reduction of taxes collected by the Township of \$3,091,116. A portion of this would have been allocated to the District.

18. Net Investment in Capital Assets – Governmental Activities

Net investment in capital assets, Governmental Activities, 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. The net investment in capital assets of \$79,149,616 indicated as part of the Governmental Activities net position is calculated as follows:

Capital Assets, net of depreciation	\$ 138,486,742
Bonds payable (used to build or acquire assets)	(47,965,000)
Unamortized premium on bonds	(1,633,335)
Unamortized deferred gain on refunding of debt	(4,265,000)
Leases and financed purchases payable	(5,473,791)
Total net investment in capital assets	<u>\$ 79,149,616</u>

19. Change in Accounting Principle and Restatement of Net Position

Effective for the year ended June 30, 2025, the District implemented the provisions of GASB Statement No. 101, *Compensated Absences*. This statement establishes new recognition and measurement criteria for compensated absences, requiring governments to recognize a liability for certain types of compensated absences when the leave is earned, rather than when it is paid.

In accordance with GASB Statement No. 100, *Accounting Changes and Error Corrections*, the provisions of GASB Statement No. 101 were adopted effective July 1, 2024. As a result, the compensated absences liability was restated as of June 30, 2024, and the cumulative effect of the change of \$5,777,097 was recognized in the 2024 change in net position.

Livingston Board of Education

Notes to the Basic Financial Statements

Year ended June 30, 2025

19. Change in Accounting Principle and Restatement of Net Position (continued)

The liability for compensated absences is reflected in the government-wide financial statements as current and long-term liabilities. In the fund financial statements, only the compensated absences liability that has matured through employee resignation or retirement and is expected to be payable from expendable available financial resources is reported. The financial reporting of these amounts are presented in accordance with the provisions of GASB Statement No. 101, *Compensated Absences*.

Balance as reported July 1, 2024	\$ 6,664,195
Cumulative Effect of Change in Accounting Principle	5,777,097
Balance as Restated July 1, 2024	<u>12,441,292</u>
Decreases	(785,254)
Balance June 30, 2025	<u><u>\$ 11,656,038</u></u>

The change in compensated absences liability is presented as a net change.

20. Expenditures in Excess of Budget

For the year ended June 30, 2025, expenditures were made in excess of appropriations on various budgetary accounts in the general fund. The total expended in excess of appropriations was \$3,075,075, as detailed below.

Undistributed expenditures - Tuition to other LEAs within the state-special	\$ 25,409
Undistributed expenditures - Tuition to private school for the disabled & other LEAs-SPL, O/S state	42,128
Undistributed expenditures - Operation and maintenance of plant services - Cleaning , repair and maintenance services	377,309
Undistributed expenditures - Operation and maintenance of plant services - General supplies	9,510
Undistributed expenditures - Transportation services - Other than bet. Home & school - vendors	36,803
Undistributed expenditures - Central services - Purchased professional services	11,861
Undistributed expenditures - Unallocated benefits - Other retirement contributions - PERS	412,118
Capital Outlay - Equipment - Undistributed Expenditures - Administrative Information Technology	1,547,155
Capital Outlay - Equipment - Undistributed Expenditures - Custodial Services	17,322
Capital Outlay - Equipment - Undistributed Expenditures - Transportation	127,000
Capital Outlay - Facilities acquisition and construction services - constuction services	468,460

All expenditures in excess of budget appropriations were the result of audit adjustments.

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,									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
District's proportion of the net pension liability (asset) - Local Group	0.1186761056%	0.1232695227%	0.1385229563%	0.1423293405%	0.1448132577%	0.1443731008%	0.1387261505%	0.1388277676%	0.1342613886%	0.1263054356%
District's proportionate share of the net pension liability (asset)	\$ 25,899,642	\$ 28,638,681	\$ 20,905,021	\$ 16,861,044	\$ 23,615,255	\$ 26,013,843	\$ 27,314,488	\$ 32,316,885	\$ 39,764,372	\$ 28,353,039
District's covered payroll	\$ 14,745,914	\$ 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
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	175.64%	194.72%	144.15%	168.74%	230.30%	256.93%	275.14%	338.15%	425.06%	328.24%
Plan fiduciary net position as a percentage of the total pension liability - Local Group	68.22%	65.23%	62.91%	70.33%	58.32%	56.27%	53.60%	48.10%	40.14%	47.93%

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,									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	\$ 2,593,644	\$ 2,642,598	\$ 1,746,841	\$ 1,666,842	\$ 1,584,185	\$ 1,404,331	\$ 1,379,877	\$ 1,286,091	\$ 1,192,759	\$ 1,123,789
Contributions in relation to the contractually required contribution	(2,593,644)	(2,642,598)	(1,746,841)	(1,666,842)	(1,584,185)	(1,404,331)	(1,379,877)	(1,286,091)	(1,192,759)	(1,123,789)
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	\$ 14,741,675	\$ 14,745,914	\$ 14,707,908	\$ 14,502,189	\$ 9,992,513	\$ 10,254,116	\$ 10,124,857	\$ 9,927,347	\$ 9,557,009	\$ 9,354,907
Contributions as a percentage of covered payroll	17.59%	17.92%	11.88%	11.49%	15.85%	13.70%	13.63%	12.96%	12.48%	12.01%

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,									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
State's proportion of the net pension liability (asset) associated with the District - Local Group	0.4926253858%	0.4939414556%	0.4849676192%	0.4876147545%	0.4950292121%	0.4923582618%	0.4826921006%	0.4700542605%	0.4547057578%	0.4577869858%
District's proportionate share of the net pension liability (asset)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability (asset) associated with the District	\$ 243,480,622	\$ 252,071,511	\$ 250,216,210	\$ 234,421,713	\$ 325,970,780	\$ 302,164,913	\$ 307,078,346	\$ 316,927,532	\$ 357,700,500	\$ 289,340,924
Total proportionate share of the net pension liability (asset) associated with the District	<u>\$ 243,480,622</u>	<u>\$ 252,071,511</u>	<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>
Plan fiduciary net position as a percentage of the total pension liability	61.25%	53.08%	32.29%	35.52%	24.60%	26.95%	26.49%	25.41%	27.96%	28.71%

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*

	2025	2024	2023	2022	Year Ended June 30, 2021	2020	2019	2018	2017
State's proportion of the net OPEB liability (asset) associated with the District -	0.39%	0.39%	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	\$ 230,408,977	\$ 202,875,043	\$ 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>\$ 230,408,977</u>	<u>\$ 202,875,043</u>	<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%	0.00%	0.00%
Total OPEB Liability	2025	2024	2023	2022	2021	2020	2019	2018	2017**
Service cost	9,619,407	\$ 8,539,351	\$ 10,875,033	\$ 12,523,876	\$ 6,882,558	\$ 6,507,141	\$ 7,057,004	\$ 8,516,952	
Interest cost	7,584,518	7,145,011	5,169,206	5,839,240	5,630,788	6,737,011	7,135,055	6,149,498	
Differences between expected and actual experience	(1,313,566)	(2,887,927)	11,197,084	(40,264,133)	41,181,708	(24,699,104)	(14,853,146)	-	
Changes in assumptions	17,237,656	408,912	(52,325,586)	(17,513)	45,934,094	2,327,485	(19,494,428)	(25,317,771)	
Member contributions	198,338	153,101	164,280	149,281	132,691	142,044	156,995	165,818	
Gross benefit payments	(5,792,419)	(5,569,652)	(5,120,251)	(4,599,686)	(4,377,806)	(4,791,848)	(4,542,495)	(4,503,173)	
Total OPEB liability - beginning	<u>202,875,043</u>	<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>	
Total OPEB liability - ending	<u>\$ 230,408,977</u>	<u>\$ 202,875,043</u>	<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>\$ 63,553,914</u>	<u>\$ 76,310,509</u>	<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	362.54%	265.85%	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, 2025

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 3.65% as of June 30, 2023 to 3.93% as of June 30, 2024.

Required Supplementary Information
Part III

Budgetary Comparison Schedules

Livingston Board of Education
General Fund

Budgetary Comparison Schedule
(Budgetary Basis)

Year ended June 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenues					
Local sources:					
Local tax levy	\$ 123,752,921		\$ 123,752,921	\$ 123,752,921	
Tuition	107,325		107,325	229,742	\$ 122,417
Tuition from other LEA's	162,043		162,043	172,751	10,708
Transportation fees from individuals	250,000		250,000	478,380	228,380
Interest on investments	43,000		43,000	451,302	408,302
Interest on investments - capital reserve	2,000		2,000	131,691	129,691
Rental income	300,000		300,000	426,150	126,150
Miscellaneous	257,000		257,000	1,332,168	1,075,168
Total - local sources	124,874,289		124,874,289	126,975,105	2,100,816
State sources:					
Extraordinary aid	648,134		648,134	1,934,292	1,286,158
Transportation aid	1,403,282		1,403,282	1,403,282	
Security aid	648,405		648,405	648,405	
Categorical Special Education aid	7,775,498		7,775,498	7,775,498	
Additional nonpublic transportation aid				126,800	126,800
Reimbursed TPAF social security (non-budgeted)				4,551,409	4,551,409
TPAF - post retirement medical (on behalf - non-budgeted)				6,081,451	6,081,451
Teachers' pension and annuity fund (on behalf-non-budgeted)				20,812,574	20,812,574
TPAF - long-term disability insurance (non-budgeted)				10,134	10,134
Total - state sources	10,475,319		10,475,319	43,343,845	32,868,526
Federal Sources:					
Medical Assistance	78,338		78,338	13,433	(64,905)
Total - federal sources	78,338		78,338	13,433	(64,905)
Total revenues	135,427,946		135,427,946	170,332,383	34,904,437
Expenditures					
Current expenditures:					
Instruction - regular programs:					
Salaries of teachers:					
Preschool	92,135	\$ 93,005	185,140	109,223	75,917
Kindergarten	1,941,208	(179,994)	1,761,214	1,677,430	83,784
Grades 1-5	13,256,238	102,625	13,358,863	12,995,266	363,597
Grades 6-8	10,415,314	(392,276)	10,023,038	10,022,789	249
Grades 9-12	15,517,630	(158,979)	15,358,651	15,238,298	120,353
Home instruction:					
Salaries of teachers	140,000	(58,244)	81,756	81,756	
Purchased professional-educational services	51,000	101,424	152,424	150,402	2,022
Undistributed instruction:					
Other salaries for instruction	528,189	239,226	767,415	767,415	
Purchased professional-educational services	77,600	(10,000)	67,600	63,978	3,622
Purchased technical services	1,500		1,500	1,458	42
Other purchased services	1,006,602	(206,198)	800,404	691,152	109,252
General supplies	1,613,149	(174,626)	1,438,523	1,212,333	226,190
Textbooks	555,209	(16,118)	539,091	449,491	89,600
Other objects	13,250	630	13,880	9,310	4,570
Total instruction - regular programs	45,209,024	(659,525)	44,549,499	43,470,301	1,079,198

Livingston Board of Education
General Fund

Budgetary Comparison Schedule
(Budgetary Basis)

Year ended June 30, 2025

	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	\$ 684,336	\$ (81,507)	\$ 602,829	\$ 602,829	
Other salaries for instruction	4,457,298	119,200	4,576,498	4,576,198	\$ 300
General supplies	5,100	(2,964)	2,136	2,135	1
Total learning and/or language disabilities	5,146,734	34,729	5,181,463	5,181,162	301
Auditory Impairments:					
General supplies	3,000	2,000	5,000	3,652	1,348
Total Auditory impairments	3,000	2,000	5,000	3,652	1,348
Emotional Regulation Impairment:					
General supplies		10,000	10,000	9,371	629
Total Emotional Regulation impairment		10,000	10,000	9,371	629
Multiple Disabilities:					
Salaries of Teachers	288,315	24,895	313,210	277,021	36,189
Other salaries for instruction	2,031,893	(822,848)	1,209,045	1,164,770	44,275
General supplies	19,500	6,030	25,530	25,446	84
Total multiple disabilities	2,339,708	(791,923)	1,547,785	1,467,237	80,548
Resource room/center:					
Salaries of teachers	6,437,847	296,265	6,734,112	6,734,112	
General supplies	15,500	26,696	42,196	40,450	1,746
Total resource room/center	6,453,347	322,961	6,776,308	6,774,562	1,746
Preschool disabilities - part time:					
Salaries of teachers		81,742	81,742	5,327	76,415
Other salaries for instruction		37,632	37,632	31,047	6,585
Total preschool disabilities - part time		119,374	119,374	36,374	83,000
Preschool disabilities - full time:					
Salaries of teachers	245,270	(83,503)	161,767	161,767	
Other salaries for instruction	35,307	(35,307)			
Purchased prof-ed. services	15,300	(414)	14,886	13,250	1,636
General supplies	12,240		12,240	11,059	1,181
Total preschool disabilities-full time	308,117	(119,224)	188,893	186,076	2,817
Total special education	14,250,906	(422,083)	13,828,823	13,658,434	170,389
Bilingual education:					
Salaries of teachers	959,774	(60,090)	899,684	899,684	
Total bilingual education	959,774	(60,090)	899,684	899,684	
Basic skills/remedial instruction:					
Salaries of teachers	1,438,370	37,973	1,476,343	1,470,617	5,726
Purchased prof-ed. services	10,200	7,550	17,750	15,400	2,350
General supplies	16,300	(1,325)	14,975	14,446	529
Total basic skills/remedial instruction	1,464,870	44,198	1,509,068	1,500,463	8,605
Vocational programs - local instruction:					
Salaries of teachers	49,128		49,128	48,951	177
Other purchased services	4,080	1,323	5,403	1,226	4,177
General supplies	5,100	94	5,194	2,957	2,237
Other objects	500		500		500
Total vocational programs - local instruction	58,808	1,417	60,225	53,134	7,091

Livingston Board of Education
General Fund

Budgetary Comparison Schedule
(Budgetary Basis)

Year ended June 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Expenditures (continued)					
Current expenditures (continued):					
School - sponsored cocurricular activities:					
Salaries	\$ 548,400	\$ 50,000	\$ 598,400	\$ 588,434	\$ 9,966
Purchased services	16,565	600	17,165	3,794	13,371
Supplies and materials	28,000	3,274	31,274	14,094	17,180
Other objects	29,912	13,844	43,756	36,522	7,234
Total school - sponsored cocurricular activities	622,877	67,718	690,595	642,844	47,751
School - sponsored athletics - instruction:					
Salaries	1,048,749	(1,975)	1,046,774	995,754	51,020
Purchased services	148,781	18,993	167,774	160,995	6,779
Supplies and materials	103,160	(9,360)	93,800	79,215	14,585
Total school - sponsored athletics - instruction	1,300,690	7,658	1,308,348	1,235,964	72,384
Other instructional programs:					
Purchased services	45,900	(10,000)	35,900	35,339	561
Total other instructional programs	45,900	(10,000)	35,900	35,339	561
Other supplemental/at-risk programs-instruction:					
Salaries of reading specialists	1,155,038	21,607	1,176,645	1,170,990	5,655
Total other supplemental/at-risk programs-instruction	1,155,038	21,607	1,176,645	1,170,990	5,655
Total instruction	65,067,887	(1,009,100)	64,058,787	62,667,153	1,391,634
Undistributed expenditures:					
Instruction:					
Tuition to other LEAs within the state-special	21,060	57,001	78,061	103,470	(25,409)
Tuition to private school for the disabled - within state	6,187,946	253,279	6,441,225	6,337,412	103,813
Tuition to priv sch for the disabled & oth LEAs-Spl, O/S Si	926,511	41,850	968,361	1,010,489	(42,128)
Total undistributed instruction	7,135,517	352,130	7,487,647	7,451,371	36,276
Attendance and social work services:					
Salaries	143,557	(16,678)	126,879	124,425	2,454
Total attendance and social work services	143,557	(16,678)	126,879	124,425	2,454
Health services:					
Salaries	1,040,274	(27,078)	1,013,196	1,013,196	
Purchased prof. & tech. services		685	685	685	
Supplies and materials	39,597	(15,702)	23,895	21,419	2,476
Other objects		600	600	600	
Total health services	1,079,871	(41,495)	1,038,376	1,035,900	2,476

Livingston Board of Education
General Fund

Budgetary Comparison Schedule
(Budgetary Basis)

Year ended June 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Expenditures (continued)					
Current expenditures (continued):					
Undistributed expenditures (continued):					
Speech, OT, PT & related services:					
Salaries	\$ 1,260,893	\$ 219,543	\$ 1,480,436	\$ 1,472,412	\$ 8,024
Purchased professional - educational services	385,432	29,198	414,630	385,683	28,947
Supplies and materials	12,000	12,212	24,212	23,754	458
Total speech, OT, PT & related services	1,658,325	260,953	1,919,278	1,881,849	37,429
Other support services - students - extra services:					
Purchased professional - educational services	987,239	84,782	1,072,021	950,914	121,107
Total other support services - students - extra service	987,239	84,782	1,072,021	950,914	121,107
Guidance:					
Salaries of other professional staff	2,648,808	(224,425)	2,424,383	2,422,458	1,925
Salaries of secretarial and clerical assistants	203,803	1,500	205,303	205,303	
Other purchased professional and tech services		643	643	631	12
Other purchased services		155	155	105	50
Supplies and materials	28,098	(2,367)	25,731	25,466	265
Other objects	21,000		21,000	21,000	
Total guidance	2,901,709	(224,494)	2,677,215	2,674,963	2,252
Child study teams:					
Salaries of other professional staff	4,126,673	(228,739)	3,897,934	3,897,933	1
Salaries of secretarial and clerical assistants	303,463	493	303,956	303,956	
Purchased professional - educational services	117,000	12,205	129,205	115,436	13,769
Other purchased prof. and tech. services	32,949	4,725	37,674	37,674	
Other purchased serv.	9,100	(1,528)	7,572	2,587	4,985
Supplies and materials	20,400		20,400	18,242	2,158
Other objects	8,100		8,100	5,902	2,198
Total child study teams	4,617,685	(212,844)	4,404,841	4,381,730	23,111
Improvement of instructional services:					
Salaries of supervisors of instruction	2,125,678	(1,626)	2,124,052	2,123,059	993
Salaries of other professional staff	278,639	(60,907)	217,732	217,690	42
Salaries of secretaries and clerical assistants	327,103	1,858	328,961	328,394	567
Purchased professional - educational services	25,000	(19,364)	5,636	208	5,428
Other purchased services	9,000	3,134	12,134	5,670	6,464
Supplies and materials	20,000		20,000	10,685	9,315
Other objects	10,725		10,725	3,986	6,739
Total improvement of instructional services	2,796,145	(76,905)	2,719,240	2,689,692	29,548

Livingston Board of Education
General Fund

Budgetary Comparison Schedule
(Budgetary Basis)

Year ended June 30, 2025

	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	\$ 972,152	\$ 13,155	\$ 985,307	\$ 985,307	
Other purchased services	7,375	31	7,406	7,111	\$ 295
Supplies and materials	192,536	(44,561)	147,975	131,380	16,595
Other objects	300	(300)			
Total educational media services/school library	1,172,363	(31,675)	1,140,688	1,123,798	16,890
Instructional staff training services:					
Salaries of supervisors of instruction	489,130	20,145	509,275	496,830	12,445
Purchased professional - educational	140,000	18,346	158,346	158,346	
Other purchased services	164,937	(80,339)	84,598	50,629	33,969
Supplies and materials	15,000	6,439	21,439	19,194	2,245
Total instructional staff training services	809,067	(35,409)	773,658	724,999	48,659
Support services-general administration:					
Salaries	459,472	(5,920)	453,552	452,792	760
Legal services	300,000	2,447	302,447	198,310	104,137
Audit services	71,652		71,652	68,800	2,852
Other purchased prof. services	70,149	(41,300)	28,849	23,548	5,301
Purchased technical services	10,500		10,500	10,082	418
Communications/telephone	227,000	(11,500)	215,500	132,386	83,114
BOE other purchased services	5,500	(2,500)	3,000	1,658	1,342
Miscellaneous purchased services	112,100	32,020	144,120	136,503	7,617
General supplies	33,660	582	34,242	6,291	27,951
Miscellaneous expenditures	73,000	(47,567)	25,433	24,961	472
Total support services-general administration	1,363,033	(73,738)	1,289,295	1,055,331	233,964
Support services-school administration:					
Salaries of principals/ assistant principals	2,132,325	66,805	2,199,130	2,182,532	16,598
Salaries of other professional staff	613,963	(288)	613,675	613,675	
Salaries of secretarial and clerical assistants	1,649,888	(25,265)	1,624,623	1,618,892	5,731
Purchased professional and technical	31,610	31,639	63,249	54,909	8,340
Other purchased services	66,000	(10,454)	55,546	35,359	20,187
Supplies and materials	302,909	60,900	363,809	317,523	46,286
Total support services-school administration	4,796,695	123,337	4,920,032	4,822,890	97,142
Required maintenance for school facilities:					
Salaries	1,056,741	58,552	1,115,293	1,105,011	10,282
Cleaning, repair and maintenance services	305,730	150,889	456,619	402,591	54,028
General supplies	192,785	145,540	338,325	315,240	23,085
Other objects	55,000	(45,225)	9,775	906	8,869
Total required maintenance for school facilities	1,610,256	309,756	1,920,012	1,823,748	96,264

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

Year ended June 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Expenditures (continued)					
Current expenditures (continued):					
Undistributed expenditures (continued):					
Operation and maintenance of plant services-					
Custodial services:					
Salaries	\$3,078,120	\$ (92,546)	\$2,985,574	\$2,974,228	\$ 11,346
Purchased professional and technical services	42,162	54,921	97,083	94,352	2,731
Cleaning, repair and maintenance services	129,164	(129,164)		377,309	(377,309)
Rental of land and bldg. other than lease purch.	160,000	(1,632)	158,368	137,685	20,683
Insurance	921,150	100,000	1,021,150	940,556	80,594
Miscellaneous purchased services		18,500	18,500	11,872	6,628
General supplies	702,500	(146,064)	556,436	565,946	(9,510)
Energy (natural gas)	580,100	113,801	693,901	519,587	174,314
Energy (electricity)	1,033,300	261,340	1,294,640	1,241,782	52,858
Other Objects	105,000	(640)	104,360	5,000	99,360
Total custodial services	6,751,496	178,516	6,930,012	6,868,317	61,695
Operation and maintenance of plant services-					
care and upkeep of grounds:					
Salaries	71,533		71,533	71,533	
Total care and upkeep of grounds	71,533		71,533	71,533	
Security:					
Salaries	373,986	31,828	405,814	405,814	
Purchased professional and technical services		163,616	163,616	30,789	132,827
Cleaning, repair and maintenance services		17,000	17,000		17,000
Total security	373,986	212,444	586,430	436,603	149,827
Total operation and maintenance of plant services	8,807,271	700,716	9,507,987	9,200,201	307,786
Student transportation services:					
Salaries of non-instructional aides	62,192		62,192	59,918	2,274
Salaries for pupil transportation:					
Between home and school - regular	1,378,213	(60,428)	1,317,785	1,238,434	79,351
Other than bet. home & sch - regular	300,000	53,197	353,197	353,197	
Contracted services:					
Aid in lieu of payments - nonpublic	349,500	(10,942)	338,558	311,293	27,265
Bet. home & sch. - vendors	20,000	(10,000)	10,000	500	9,500
Other than bet. home & sch - vendors	177,870	(2,445)	175,425	212,228	(36,803)
Special ed stds - vendors	2,258,587	368,768	2,627,355	2,544,563	82,792
Miscellaneous purchased services - transportation		250	250	94	156
Transportation supplies	300,000	67,376	367,376	364,879	2,497
Other objects	7,000	(405)	6,595	4,983	1,612
Total student transportation services	4,853,362	405,371	5,258,733	5,090,089	168,644
Undistributed expenditures - central services:					
Salaries	1,326,037	37,042	1,363,079	1,258,071	105,008
Purchased professional services	179,290	(28,718)	150,572	162,433	(11,861)
Misc purchased services	65,150	131,344	196,494	187,658	8,836
Supplies and materials	112,000	(1,615)	110,385	103,954	6,431
Interest on lease purchase agreements	153,281	(120,250)	33,031	27,847	5,184
Miscellaneous expenditures	10,000	16,752	26,752	24,055	2,697
Total central services	1,845,758	34,555	1,880,313	1,764,018	116,295
Admin. info. tech.:					
Salaries	1,000,702	53,803	1,054,505	1,040,688	13,817
Purchased professional services	143,200	(69,102)	74,098	50,321	23,777
Purchased technical services	283,508	(8,675)	274,833	274,833	
Other purchased services	739,972	28,263	768,235	759,647	8,588
Supplies and materials	41,565	62,270	103,835	86,275	17,560
Total admin. info. tech.	2,208,947	66,559	2,275,506	2,211,764	63,742

Livingston Board of Education
General Fund

Budgetary Comparison Schedule
(Budgetary Basis)
Year ended June 30, 2025

	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	\$ 1,790,000	\$ 144,096	\$ 1,934,096	\$ 1,871,926	\$ 62,170
Other retirement contributions - PERS	2,770,000	(346,668)	2,423,332	2,835,450	(412,118)
Other retirement contributions - Regular	52,250		52,250	46,852	5,398
Worker's compensation	602,525	89,338	691,863	691,863	
Health benefits	17,958,000	(466,248)	17,491,752	17,310,117	181,635
Tuition reimbursement	157,890	(8,251)	149,639	140,444	9,195
Other employee benefits	257,000	24,307	281,307	271,267	10,040
Unused sick payment to terminated / retired staff	259,193	(10,273)	248,920	87,549	161,371
Total unallocated benefits	23,846,858	(573,699)	23,273,159	23,255,468	17,691
TPAF - post retirement medical (on behalf - non-budgeted)				6,081,451	(6,081,451)
Teacher's Pension and Annuity Fund (on behalf - non-budgeted)				20,812,574	(20,812,574)
TPAF - long-term disability insurance (non-budgeted)				10,134	(10,134)
Reimbursed TPAF social security (non-budgeted)				4,551,409	(4,551,409)
Total on-behalf payments				31,455,568	(31,455,568)
Total undistributed expenditures	71,023,402	741,466	71,764,868	101,894,970	(30,130,102)
Total expenditures - current	136,091,289	(267,634)	135,823,655	164,562,123	(28,738,468)
Capital outlay:					
Equipment:					
Regular programs - instruction:					
Grades 1-5	51,145	398	51,543	49,608	1,935
Grades 6-8	57,283	(397)	56,886	21,383	35,503
Grades 9-12	14,766	(3,747)	11,019	9,179	1,840
Undistributed expenditures:					
School administration		2,125	2,125	2,125	
Administrative information technology				1,547,155	(1,547,155)
Custodial services		12,903	12,903	30,225	(17,322)
Transportation		4,171	4,171	131,171	(127,000)
Noninstructional services	16,120	(2,402)	13,718	13,718	
Total equipment	139,314	13,051	152,365	1,804,564	(1,652,199)
Facilities acquisition and construction services:					
Other purchased prof. & tech services		300,204	300,204	20,518	279,686
Financed purchase agreements-principal	1,380,631	136,764	1,517,395	1,510,906	6,489
Construction services	2,891,862	660,823	3,552,685	4,021,145	(468,460)
Other objects-assessment of debt service	68,734		68,734	68,734	
Total facilities acquisition and construction services	4,341,227	1,097,791	5,439,018	5,621,303	(182,285)
Financed purchase agreement (non-budgeted)				1,094,653	(1,094,653)
Interest deposit to capital reserve	2,000		2,000		2,000
Total expenditures - capital outlay	4,482,541	1,110,842	5,593,383	8,520,520	(2,927,137)
Post-Secondary Programs:					
Summer School:					
Salaries	45,978	16,183	62,161	58,697	3,464
Total expenditures - Post-Secondary Programs	45,978	16,183	62,161	58,697	3,464
Transfer of funds to charter schools		20,604	20,604	20,604	
Total expenditures	140,619,808	879,995	141,499,803	173,161,944	(31,662,141)
(Deficiency) excess of revenues (under)/over expenditures	(5,191,862)	(879,995)	(6,071,857)	(2,829,561)	3,242,296
Other financing sources (uses):					
Assets acquired under financed purchases (non-budgeted)				1,094,653	1,094,653
Transfers in				68,505	68,505
Transfers out	(2,429,400)		(2,429,400)	(2,429,400)	
Total other financing sources (uses)	(2,429,400)		(2,429,400)	(1,266,242)	1,163,158
Change in fund balances	(7,621,262)	(879,995)	(8,501,257)	(4,095,803)	4,405,454
Fund balances, July 1	19,571,639		19,571,639	19,571,639	
Fund balances, June 30	\$ 11,950,377	\$ (879,995)	\$ 11,070,382	\$ 15,475,836	\$ 4,405,454

Livingston Board of Education
General Fund

Budgetary Comparison Schedule
(Budgetary Basis)

Year ended June 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Recapitulation of (deficiency) excess of revenues (under) over expenditures and other financing sources					
Budgeted fund balance	\$ (2,300,000)		\$ (2,300,000)	\$ (1,543,788)	\$ 756,212
Budgeted withdrawal from capital reserve	(5,321,262)		(5,321,262)	(5,321,262)	
Withdrawal from emergency reserve		\$ (162,444)	(162,444)	(162,444)	
Increase in capital reserve				2,431,691	2,431,691
Increase in maintenance reserve				500,000	500,000
Adjustment for prior year encumbrances		(717,551)	(717,551)		717,551
Total	<u>\$ (7,621,262)</u>	<u>\$ (879,995)</u>	<u>\$ (8,501,257)</u>	<u>\$ (4,095,803)</u>	<u>\$ 4,405,454</u>
Recapitulation of fund balance:					
Restricted Fund Balance:					
Excess surplus restricted for subsequent years expenditures - prior year				\$ 859,795	
Capital reserve				6,888,443	
Emergency reserve				837,556	
Maintenance reserve				1,000,000	
Unemployment compensation				543,357	
Assigned to:					
Designated for subsequent years' expenditures				1,008,689	
Year end encumbrances				412,984	
Unassigned fund balance				<u>3,925,012</u>	
				15,475,836	
Reconciliation to Governmental Funds Statements (GAAP):					
Last state aid payments not recognized on GAAP basis				(967,375)	
Solar Renewable Energy Credits (SREC) income				100,002	
Fund balance per Governmental Funds (GAAP)				<u>\$ 14,608,463</u>	

Livingston Board of Education
Special Revenue Fund

Budgetary Comparison Schedule
(Budgetary Basis)

Year ended June 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenues:					
State sources	\$ 853,053	\$ 259,540	\$ 1,112,593	\$ 1,161,360	\$ 48,767
Federal sources	1,750,625	454,270	2,204,895	1,997,164	(207,731)
Other sources	20,490	-	20,490	1,288,938	1,268,448
Total revenues	2,624,168	713,810	3,337,978	4,447,462	1,109,484
Expenditures:					
Current expenditures:					
Instruction:					
Salaries	917,241	(363,071)	554,170	553,988	182
Other purchased services	560,352	271,754	832,106	832,105	1
Instructional supplies	106,661	9,459	116,120	110,626	5,494
Textbooks	38,623	2,187	40,810	40,284	526
Other objects	753,829	247,827	1,001,656	944,288	57,368
Total instruction	2,376,706	168,156	2,544,862	2,481,291	63,571
Support services:					
Salaries		2,245	2,245	2,035	210
Benefits	33,856	125,435	159,291	122,444	36,847
Purchased professional and educational / technical services	89,561	400,668	490,229	436,305	53,924
Other purchased services		17,306	17,306	12,894	4,412
General supplies	16,000	-	16,000		16,000
Student activities				1,246,610	(1,246,610)
Total support services	139,417	545,654	685,071	1,820,288	(1,135,217)
Facilities acquisition and construction services:					
Instructional Equipment	108,045	-	108,045	108,045	-
Total facilities acquisition and construction services	108,045	-	108,045	108,045	-
Total expenditures	2,624,168	713,810	3,337,978	4,409,624	(1,071,646)
Net change in fund balance	-	-	-	37,838	37,838
Fund balance, July 1	-	-	-	566,703	566,703
Fund balance, June 30	\$ -	\$ -	\$ -	\$ 604,541	\$ 604,541

Livingston Board of Education
Note to Required Supplementary Information

Budget to GAAP Reconciliation

Year ended June 30, 2025

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)	\$ 170,332,383	\$ 4,447,462
Differences - Budgetary to GAAP:		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes: Prior year, net of cancellations		20,898
State aid payments recognized for GAAP statements in the current year, not previously recognized.	(967,375)	
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).	855,953	
Adjustment to record the value of Solar Renewable Energy credits (SREC) income on the modified accrual basis.	(8,829)	
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds (B-2)	<u>\$ 170,212,132</u>	<u>\$ 4,468,360</u>
Uses/outflows of resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule (C-1, C-2)	\$ 173,161,944	\$ 4,409,624
Differences - Budgetary to GAAP:		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes: Prior year, net of cancellations		20,898
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (B-2)	<u>\$ 173,161,944</u>	<u>\$ 4,430,522</u>

Supplementary Information

Special Revenue Fund

Livingston Board of Education
Special Revenue Fund

Combining Schedule of Program Revenues and Expenditures –
Budgetary Basis

Year ended June 30, 2025

	Nonpublic Aid										SDA Emergent Needs
	Text- books	Technology	Security	Nursing	Compensatory Education	ESL	Supplementary Instruction	Exam and Classification	Corrective Speech	Home Instruction	
Revenues:											
State sources	\$ 40,284	\$ 68,115	\$ 286,511	\$ 197,080	\$ 54,701	\$ 2,296	\$ 174,947	\$ 176,937	\$ 51,336	\$ 1,108	\$ 108,045
Federal sources											
Local sources											
Total revenues	<u>\$ 40,284</u>	<u>\$ 68,115</u>	<u>\$ 286,511</u>	<u>\$ 197,080</u>	<u>\$ 54,701</u>	<u>\$ 2,296</u>	<u>\$ 174,947</u>	<u>\$ 176,937</u>	<u>\$ 51,336</u>	<u>\$ 1,108</u>	<u>\$ 108,045</u>
Expenditures:											
Instruction:											
Salaries											
Other purchased services										\$ 1,108	
Instructional supplies		\$ 68,115									
Textbooks	\$ 40,284										
Other objects			\$ 286,511	\$ 197,080	\$ 54,701	\$ 2,296	\$ 174,947	\$ 176,937	\$ 51,336		
Total instruction	<u>40,284</u>	<u>68,115</u>	<u>286,511</u>	<u>197,080</u>	<u>54,701</u>	<u>2,296</u>	<u>174,947</u>	<u>176,937</u>	<u>51,336</u>	<u>1,108</u>	
Undistributed:											
Support services:											
Salaries											
Benefits											
Purchased professional and educational/ technical services											
Other purchased services											
Student activities											
Total support services											
Facilities acquisition and construction services:											
Instructional Equipment											\$ 108,045
Total facilities acquisition and construction services											<u>108,045</u>
Total expenditures	<u>40,284</u>	<u>68,115</u>	<u>286,511</u>	<u>197,080</u>	<u>54,701</u>	<u>2,296</u>	<u>174,947</u>	<u>176,937</u>	<u>51,336</u>	<u>1,108</u>	<u>108,045</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, 2025

	ESEA					IDEA		High Impact Tutoring	Other Local Projects	Student Activity/ Athletics Fund	Totals
	Title I A	Title II A	Title III	Title III Immigrant	Title IV	Part B Basic	Preschool				
Revenues:											
State sources											\$ 1,161,360
Federal sources	\$ 133,193	\$ 87,425	\$ 33,741	\$ 17,659	\$ 5,875	\$ 1,515,617	\$ 63,449	\$ 140,205			1,997,164
Local sources									\$ 4,490	\$ 1,284,448	1,288,938
Total revenues	<u>\$ 133,193</u>	<u>\$ 87,425</u>	<u>\$ 33,741</u>	<u>\$ 17,659</u>	<u>\$ 5,875</u>	<u>\$ 1,515,617</u>	<u>\$ 63,449</u>	<u>\$ 140,205</u>	<u>\$ 4,490</u>	<u>\$ 1,284,448</u>	<u>\$ 4,447,462</u>
Expenditures:											
Instruction:											
Salaries	\$ 87,288		\$ 2,200			\$ 300,280	\$ 40,602	\$ 123,618			\$ 553,988
Other purchased services						830,997					832,105
Instructional supplies			21,290	\$ 15,144				1,587	\$ 4,490		110,626
Textbooks											40,284
Other objects				480							944,288
Total instruction	<u>87,288</u>		<u>23,490</u>	<u>15,624</u>		<u>1,131,277</u>	<u>40,602</u>	<u>125,205</u>	<u>4,490</u>		<u>2,481,291</u>
Undistributed:											
Support services:											
Salaries				2,035							2,035
Benefits	45,905					76,539					122,444
Purchased professional and educational/ technical services		\$ 87,425	2,507		\$ 4,075	304,451	22,847	15,000			436,305
Other purchased services			7,744		1,800	3,350					12,894
Student activities										\$ 1,246,610	1,246,610
Total support services	<u>45,905</u>	<u>87,425</u>	<u>10,251</u>	<u>2,035</u>	<u>5,875</u>	<u>384,340</u>	<u>22,847</u>	<u>15,000</u>		<u>1,246,610</u>	<u>1,820,288</u>
Facilities acquisition and construction services:											
Equipment											108,045
Total facilities acquisition and construction services											<u>108,045</u>
Total expenditures	<u>133,193</u>	<u>87,425</u>	<u>33,741</u>	<u>17,659</u>	<u>5,875</u>	<u>1,515,617</u>	<u>63,449</u>	<u>140,205</u>	<u>4,490</u>	<u>1,246,610</u>	<u>4,409,624</u>
Net change in fund balance	-	-	-	-	-	-	-	-	-	37,838	37,838
Fund balance, July 1	-	-	-	-	-	-	-	-	-	566,703	566,703
Fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 604,541</u>	<u>\$ 604,541</u>

Capital Projects Fund

Livingston Board of Education
Capital Projects Fund
Summary Schedule of Project Revenues, Expenditures,
Project Balance and Project Status
(Budgetary Basis)
Year ended June 30, 2025

	<u>Current Year</u>
Revenues	
State Sources - SDA Grants	\$ 1,619,600
Interest on investments	<u>68,505</u>
Total revenues	<u>1,688,105</u>
Expenditures:	
Other Purchased Professional and Technical Services	208,338
Construction Services	<u>2,746,989</u>
Total expenditures	<u>2,955,327</u>
(Deficiency) of Revenues (Under) Expenditures	(1,267,222)
Other financing sources (uses):	
Transfers in	2,429,400
Transfers out	<u>(1,068,505)</u>
Total other financing sources (uses)	<u>1,360,895</u>
Net change in fund balance	93,673
Fund Balance, July 1	<u>2,000,090</u>
Fund Balance, June 30	<u><u>\$ 2,093,763</u></u>
 Fund balance - budgetary- basis	 \$ 2,093,763
GAAP Basis Revenues not recognized	<u>(437,485)</u>
Fund balance - GAAP Basis	<u><u>\$ 1,656,278</u></u>

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, 2025

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources				
State Sources - SDA Grant	\$ 23,734,923		\$ 23,734,923	\$ 23,734,923
Bond proceeds and transfers	105,596,000		105,596,000	105,596,000
Transfer from capital reserve	2,294,000		2,294,000	2,294,000
Transfer from capital outlay	660,550		660,550	660,550
Total revenues	<u>132,285,473</u>		<u>132,285,473</u>	<u>132,285,473</u>
Expenditures and other financing uses				
Construction services	10,493,035		10,493,035	
Equipment	112,715,190		112,715,190	
Transfers out	2,609,059	\$ 1,040,563	3,649,622	
Cancellations	4,249,388		4,249,388	
Bond issuance costs	218,711		218,711	
Total expenditures and other financing uses	<u>130,285,383</u>	<u>1,040,563</u>	<u>131,325,946</u>	<u>132,285,473</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 2,000,090</u>	<u>\$ (1,040,563)</u>	<u>\$ 959,527</u>	<u>\$ -</u>

	Referendums
Bonds Authorized	\$ 105,596,000
Bonds Issued	105,596,000
Original Authorized Cost	139,006,042
Additional Authorized Cost	(309,720)
Cancellation of ABNI	(6,410,849)
Revised Authorized Cost	<u>\$ 132,285,473</u>

Livingston Board of Education
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balance and Project Status
Heritage Middle School - Partial Roof Replacement
(Budgetary Basis)

From Inception and for the year ended June 30, 2025

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources				
State Sources - SDA Grant		\$ 116,400	\$ 116,400	\$ 116,400
Transfer from capital reserve		174,600	174,600	174,600
Total revenues		<u>291,000</u>	<u>291,000</u>	<u>291,000</u>
Expenditures and other financing uses				
Construction Services		<u>291,000</u>	<u>291,000</u>	<u>291,000</u>
Total expenditures and other financing uses		<u>291,000</u>	<u>291,000</u>	<u>291,000</u>
Excess (deficiency) of revenues over (under) expenditures		<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

ADDITIONAL PROJECT INFORMATION

DOE Project Number	2730-055-23-R501
SDA Project Number	2730-055-23-G5KZ
Final Grant Date	8/20/2025
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 291,000
Additional Authorized Cost	-
Revised Authorized Cost	291,000
Percentage Increase (Decrease) over Original Authorized Cost	0.00%
Percentage Completed	100%
Original Target Completion Date	6/30/2025
Revised Target Completion Date	6/30/2025

Livingston Board of Education
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balance and Project Status
Burnet Hill Elementary School - Partial Roof Replacement
(Budgetary Basis)

From Inception and for the year ended June 30, 2025

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources				
State Sources - SDA Grant		\$ 232,400	\$ 232,400	\$ 232,400
Transfer from capital reserve		348,600	348,600	348,600
Total revenues		<u>581,000</u>	<u>581,000</u>	<u>581,000</u>
Expenditures and other financing uses				
Construction Services		<u>434,740</u>	<u>434,740</u>	<u>434,740</u>
Total expenditures and other financing uses		<u>434,740</u>	<u>434,740</u>	<u>434,740</u>
Excess (deficiency) of revenues over (under) expenditures		<u>\$ 146,260</u>	<u>\$ 146,260</u>	<u>\$ 146,260</u>

ADDITIONAL PROJECT INFORMATION

DOE Project Number	2730-070-23-R501
SDA Project Number	2730-070-23-G5LB
Final Grant Date	8/20/2025
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 581,000
Additional Authorized Cost	
Revised Authorized Cost	581,000
Percentage Increase (Decrease) over Original Authorized Cos	0.00%
Percentage Completed	75%
Original Target Completion Date	6/30/2025
Revised Target Completion Date	8/31/2025

Livingston Board of Education
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balance and Project Status
Harrison Elementary School - Replacement of Boilers
(Budgetary Basis)

From Inception and for the year ended June 30, 2025

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources				
State Sources - SDA Grant		\$ 232,400	\$ 232,400	\$ 232,400
Transfer from capital reserve		348,600	348,600	348,600
Total revenues		<u>581,000</u>	<u>581,000</u>	<u>581,000</u>
Expenditures and other financing uses				
Other Purchased Professional and Technical Services		41,110	41,110	41,110
Construction Services		539,890	539,890	539,890
Total expenditures and other financing uses		<u>581,000</u>	<u>581,000</u>	<u>581,000</u>
Excess (deficiency) of revenues over (under) expenditures		<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

ADDITIONAL PROJECT INFORMATION

DOE Project Number	2730-090-23-R501
SDA Project Number	2730-090-23-G5LC
Final Grant Date	11/29/2023
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 581,000
Additional Authorized Cost	
Revised Authorized Cost	581,000
Percentage Increase (Decrease) over Original Authorized Cost	0.00%
Percentage Completed	100%
Original Target Completion Date	6/30/2025
Revised Target Completion Date	6/30/2025

Livingston Board of Education
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balance and Project Status
Livingston High School - Boiler Replacement
(Budgetary Basis)

From Inception and for the year ended June 30, 2025

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources				
State Sources - SDA Grant		\$ 232,400	\$ 232,400	\$ 232,400
Transfer from capital reserve		348,600	348,600	348,600
Total revenues		<u>581,000</u>	<u>581,000</u>	<u>581,000</u>
Expenditures and other financing uses				
Other Purchased Professional and Technical Services		40,281	40,281	40,281
Construction Services		540,719	540,719	540,719
Total expenditures and other financing uses		<u>581,000</u>	<u>581,000</u>	<u>581,000</u>
Excess (deficiency) of revenues over (under) expenditures		<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

ADDITIONAL PROJECT INFORMATION

DOE Project Number	2730-050-23-R501
SDA Project Number	2730-050-23-G5KY
Final Grant Date	8/20/2025
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 581,000
Additional Authorized Cost	
Revised Authorized Cost	581,000
Percentage Increase (Decrease) over Original Authorized Cost	0.00%
Percentage Completed	100%
Original Target Completion Date	6/30/2025
Revised Target Completion Date	6/30/2025

Livingston Board of Education
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balance and Project Status
Mount Pleasant Middle School - Boiler Replacement
(Budgetary Basis)

From Inception and for the year ended June 30, 2025

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources				
State Sources - SDA Grant		\$ 403,000	\$ 403,000	\$ 403,000
Transfer from capital reserve		604,500	604,500	604,500
Total revenues		<u>1,007,500</u>	<u>1,007,500</u>	<u>1,007,500</u>
Expenditures and other financing uses				
Other Purchased Professional and Technical Services		66,860	66,860	66,860
Construction Services		940,640	940,640	940,640
Total expenditures and other financing uses		<u>1,007,500</u>	<u>1,007,500</u>	<u>1,007,500</u>
Excess (deficiency) of revenues over (under) expenditures		<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

ADDITIONAL PROJECT INFORMATION

DOE Project Number	2730-060-23-R501
SDA Project Number	2730-060-23-G5LA
Final Grant Date	8/20/2025
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 1,007,500
Additional Authorized Cost	
Revised Authorized Cost	1,007,500
Percentage Increase (Decrease) over Original Authorized Cos	0.00%
Percentage Completed	100%
Original Target Completion Date	6/30/2025
Revised Target Completion Date	6/30/2025

Livingston Board of Education
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balance and Project Status
Hillside Elementary School - Boiler Replacement
(Budgetary Basis)

From Inception and for the year ended June 30, 2025

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources				
State Sources - SDA Grant		\$ 403,000	\$ 403,000	\$ 403,000
Transfer from capital reserve		604,500	604,500	604,500
Total revenues		<u>1,007,500</u>	<u>1,007,500</u>	<u>1,007,500</u>
Expenditures and other financing uses				
Other Purchased Professional and Technical Services		60,087	60,087	84,000
Construction Services				923,500
Total expenditures and other financing uses		<u>60,087</u>	<u>60,087</u>	<u>1,007,500</u>
Excess (deficiency) of revenues over (under) expenditures		<u>\$ 947,413</u>	<u>\$ 947,413</u>	<u>\$ -</u>

ADDITIONAL PROJECT INFORMATION

DOE Project Number	2730-100-23-R501
SDA Project Number	2730-100-23-G5LD
Final Grant Date	8/20/2025
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 1,007,500
Additional Authorized Cost	
Revised Authorized Cost	1,007,500
Percentage Increase (Decrease) over Original Authorized Cost	0.00%
Percentage Completed	100%
Original Target Completion Date	6/30/2025
Revised Target Completion Date	6/30/2026

Livingston Board of Education
Capital Projects Fund

Summary Schedule of Project Expenditures
(Budgetary Basis)

Year ended June 30, 2025

Issue/Project Title	Appropriations	Expenditures & Adjustments to Date		Unexpended Balance
		Prior Years	Current Year	
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	7,232,582	\$ 1,000,000	455,323
Heritage Middle School - Partial Roof Replacment	291,000		291,000	
Burnet Hill Elementary School - Partial Roof Replacement	581,000		434,740	146,260
Harrison Elementary School - Replacement of Boilers	581,000		581,000	
Livingston High School - Boiler Replacement	581,000		581,000	
Mount Pleasant Middle School - Boiler Replacement	1,007,500		1,007,500	
Hillside Elementary School - Boiler Replacement	1,007,500		60,087	947,413
	<u>\$ 30,101,295</u>	<u>\$ 24,052,205</u>	<u>\$ 3,955,327</u>	<u>\$ 2,093,763</u>
<u>Components of appropriations for referendum question - additions and renovations at various schools</u>				
Bonds authorized 3/12/13	<u>\$ 16,754,390</u>			
<u>Components of appropriations - LHS Roof Part A</u>				
NJ Schools Development Authority	\$ 244,000			
Transfer from capital outlay	366,000			
	<u>\$ 610,000</u>			
<u>Components of appropriations - Solar panels</u>				
Bonds authorized 12/14/09	<u>\$ 8,687,905</u>			
<u>Components of appropriations - Heritage Middle School - Partial Roof Replacement</u>				
NJ Schools Development Authority	\$ 116,400			
Transfer from capital reserve	174,600			
	<u>\$ 291,000</u>			
<u>Components of appropriations - Burnet Hill Elementary School</u>				
NJ Schools Development Authority	\$ 232,400			
Transfer from capital reserve	348,600			
	<u>\$ 581,000</u>			
<u>Components of appropriations - Harrison Elementary School</u>				
NJ Schools Development Authority	\$ 232,400			
Transfer from capital reserve	348,600			
	<u>\$ 581,000</u>			
<u>Components of appropriations - Livingston High School</u>				
NJ Schools Development Authority	\$ 232,400			
Transfer from capital reserve	348,600			
	<u>\$ 581,000</u>			
<u>Components of appropriations - Mount Pleasant Middle School</u>				
NJ Schools Development Authority	\$ 403,000			
Transfer from capital reserve	604,500			
	<u>\$ 1,007,500</u>			
<u>Components of appropriations - Hillside Elementary School</u>				
NJ Schools Development Authority	\$ 403,000			
Transfer from capital reserve	604,500			
	<u>\$ 1,007,500</u>			

Long-Term Debt

Livingston Board of Education
Long-Term Debt

Schedule of Serial Bonds Payable

Year ended June 30, 2025

Issue	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance June 30, 2024	Issued	Retired	Balance June 30, 2025
			Date	Amount					
Renovations to Schools	10/1/13	\$ 8,500,000	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	\$ 3,350,000		\$ 650,000	\$ 2,700,000
Renovations to Schools	8/6/15	8,500,000	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	4,900,000		700,000	4,200,000
School Bonds	9/24/15	61,010,000	7/15/25	3,945,000	5.000	45,760,000		41,815,000	3,945,000
School Refunding Bonds	4/23/25	37,120,000	7/15/25	470,000	4.000				
			7/15/26	3,070,000	4.000				
			7/15/27	3,160,000	4.000				
			7/15/28	3,195,000	4.000				
			7/15/29	3,230,000	4.000				
			7/15/30	3,235,000	4.000				
			7/15/31	3,350,000	4.000				
			7/15/32	3,410,000	4.000				
			7/15/33	3,565,000	4.000				
			7/15/34	3,650,000	4.000				
			7/15/35	3,630,000	4.000				
			7/15/36	1,605,000	4.000				
			7/15/37	1,550,000	4.000		\$37,120,000		37,120,000
									\$54,010,000

Livingston Board of Education
Long-Term Debt

Schedule of Obligations Under Financed Purchases and Leases

Year ended June 30, 2025

Financed Purchases Payable

	Interest Rate	Amount of Original Issue	Balance June 30, 2024	Issued	Retired	Balance June 30, 2025
JP Morgan	0.98%	\$ 1,438,307	\$ 871,386		\$ 287,634	\$ 583,752
ECIA	4.00%-5.00%	2,441,000	120,000		120,000	
TD Bank	0.93%	1,800,000	226,800		113,400	113,400
Truist Bank	2.78%	2,045,000	1,658,117		397,638	1,260,479
JP Morgan Chase	4.15%	2,446,515	2,446,515		458,958	1,987,557
Apple	None	1,094,653		\$ 1,094,653	273,663	820,990
Total Financed Purchases Payable			<u>\$ 5,322,818</u>	<u>\$ 1,094,653</u>	<u>\$ 1,651,293</u>	<u>\$ 4,766,178</u>

Leases Payable

	Interest Rate	Amount of Original Issue	Balance June 30, 2024	Issued	Retired	Balance June 30, 2025
Township of Livingston	2.02%	\$ 1,705,811	\$ 826,686		\$ 119,073	\$ 707,613
Canon Business Solutions	0.00%	702,960	117,161		117,161	
Total Leases Payable			<u>943,847</u>		<u>236,234</u>	<u>707,613</u>
Total Financed Purchases and Leases Payable			<u>\$ 6,266,665</u>	<u>\$ 1,094,653</u>	<u>\$ 1,887,527</u>	<u>\$ 5,473,791</u>

Livingston Board of Education
Debt Service Fund

Budgetary Comparison Schedule

Year ended June 30, 2025

	Original Budget	Final Budget	Actual	Variance Final to Actual
Revenues:				
Local sources:				
Miscellaneous-sale of SREC's			\$ 71,257	\$ 71,257
Miscellaneous			11,470	11,470
Local tax levy	\$ 5,773,361	\$ 5,773,361	5,773,361	
State sources:				
Debt service aid type II	546,286	546,286	546,286	
Total revenues	<u>6,319,647</u>	<u>6,319,647</u>	<u>6,402,374</u>	<u>82,727</u>
Expenditures:				
Interest on bonds	2,280,363	2,280,363	2,280,363	
Principal on bonds	5,140,000	5,140,000	5,140,000	
Costs of issuance			186,567	(186,567)
Total expenditures	<u>7,420,363</u>	<u>7,420,363</u>	<u>7,606,930</u>	<u>(186,567)</u>
(Deficiency) of revenues (under) expenditures	<u>(1,100,716)</u>	<u>(1,100,716)</u>	<u>(1,204,556)</u>	<u>(103,840)</u>
Other financing sources (uses):				
Transfers in	1,000,000	1,000,000	1,000,000	
Proceeds from issuance of refunding bonds			37,120,000	37,120,000
Premium on issuance of refunding bonds			1,653,227	1,653,227
Payment to refunding bond escrow agent			(38,586,660)	(38,586,660)
Total other financing sources (uses)	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,186,567</u>	<u>186,567</u>
Net change in fund balances	(100,716)	(100,716)	(17,989)	82,727
Fund balance, July 1	174,140	174,140	174,140	
Fund balance, June 30	<u>\$ 73,424</u>	<u>\$ 73,424</u>	<u>\$ 156,151</u>	<u>\$ 82,727</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 ,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Governmental activities at Government-wide level										
Net investment in capital assets	\$ 59,527,328	\$ 58,713,884	\$ 62,345,455	\$ 64,178,646	\$ 65,375,895	\$ 66,474,442	\$ 68,347,168	\$ 70,575,204	\$ 73,542,565	\$ 79,149,616
Restricted	5,540,059	8,775,638	7,736,318	8,249,348	11,686,227	16,890,856	20,434,565	19,937,540	17,130,475	12,389,970
Unrestricted (deficit)	(29,175,486)	(31,728,720)	(33,016,080)	(32,990,012)	(32,782,362)	(31,584,564)	(28,168,982)	(26,118,557)	(26,144,451)	(29,785,316)
Total governmental activities net position	<u>\$ 35,891,901</u>	<u>\$ 35,760,802</u>	<u>\$ 37,065,693</u>	<u>\$ 39,437,982</u>	<u>\$ 44,279,760</u>	<u>\$ 51,780,734</u>	<u>\$ 60,612,751</u>	<u>\$ 64,394,187</u>	<u>\$ 64,528,589</u>	<u>\$ 61,754,270</u>
Business-type activities at Government-wide level										
Investment in capital assets		\$ 64,260	\$ 71,264	\$ 63,335	\$ 55,419	\$ 47,490	\$ 39,562	\$ 33,036	\$ 59,662	\$ 142,758
Unrestricted	\$ 124,697	25,952	63,014	138,144	81,282	37,282	52,831	60,847	74,911	96,350
Total business-type activities net position	<u>\$ 124,697</u>	<u>\$ 90,212</u>	<u>\$ 134,278</u>	<u>\$ 201,479</u>	<u>\$ 136,701</u>	<u>\$ 84,772</u>	<u>\$ 92,393</u>	<u>\$ 93,883</u>	<u>\$ 134,573</u>	<u>\$ 239,108</u>
Government-wide level										
Net investment in capital assets	\$ 59,527,328	\$ 58,778,144	\$ 62,416,719	\$ 64,241,981	\$ 65,431,314	\$ 66,521,932	\$ 68,386,730	\$ 70,608,240	\$ 73,602,227	\$ 79,292,374
Restricted	5,540,059	8,775,638	7,736,318	8,249,348	11,686,227	16,890,856	20,434,565	19,937,540	17,130,475	12,389,970
Unrestricted (deficit)	(29,050,789)	(31,702,768)	(32,953,066)	(32,851,868)	(32,701,080)	(31,547,282)	(28,116,151)	(26,057,710)	(26,069,540)	(29,688,966)
Total government-wide net position	<u>\$ 36,016,598</u>	<u>\$ 35,851,014</u>	<u>\$ 37,199,971</u>	<u>\$ 39,639,461</u>	<u>\$ 44,416,461</u>	<u>\$ 51,865,506</u>	<u>\$ 60,705,144</u>	<u>\$ 64,488,070</u>	<u>\$ 64,663,162</u>	<u>\$ 61,993,378</u>

Source: ACFR Schedule A-1 and District records.

GASB 75 was implemented in the 2018 fiscal year, which increased the unrestricted grants and contributions and various expense lines from the previous year.

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.

GASB 101 was implemented during the 2025 fiscal year, which required a retrospective adjustment to the June 30, 2024 net position in the amount of (\$5,777,097). This amount is not reflected in the June 30, 2024 Net Position above.

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

	Year ended June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Expenses										
Governmental activities										
Instruction	\$ 77,101,975	\$ 87,448,186	\$ 97,533,309	\$ 100,285,889	\$ 96,778,911	\$ 99,683,866	\$ 97,194,603	\$ 96,661,639	\$ 106,372,794	\$ 106,028,896
Support Services:										
Attendance and social work	81,890	111,626	175,412	114,992	103,821	73,895	80,265	143,626	206,755	192,885
Health services	1,399,384	1,602,126	1,735,851	1,751,864	1,582,457	1,545,674	1,368,581	1,322,916	1,604,372	1,594,762
Other support services	10,309,217	11,618,707	14,017,612	14,328,859	13,576,938	14,422,989	14,000,055	14,954,002	15,822,024	16,486,937
Improvement of instruction	3,059,826	3,109,500	3,893,894	3,638,064	3,657,125	3,734,626	3,841,845	4,014,976	4,158,296	4,159,537
Other support instructional staff	721,986	631,642	782,759	742,174	908,879	1,001,601	961,129	885,128	890,870	1,012,376
School library	1,684,934	1,953,426	2,132,844	2,124,858	2,033,503	2,009,980	1,876,118	1,591,913	1,680,190	1,674,429
General administration	1,434,998	1,614,656	1,617,068	1,532,530	1,724,782	1,389,294	1,444,922	1,683,623	1,361,488	1,224,315
School administration	6,170,061	6,813,282	7,511,172	8,002,939	7,229,252	6,716,522	6,619,610	6,780,636	7,310,904	7,277,161
Required maintenance of plant	1,926,852	1,781,738	1,986,685	2,103,451	2,292,152	2,280,786	1,814,581	1,875,890	2,165,061	2,475,885
Operation of plant	7,824,561	7,359,396	7,920,082	8,004,142	8,234,493	7,926,715	7,762,382	8,536,688	8,860,536	11,358,076
Student transportation	3,523,893	3,757,943	4,136,495	4,513,329	4,943,858	3,514,678	5,013,351	5,736,802	6,428,387	6,210,016
Central services	2,024,454	2,108,249	2,301,045	2,422,989	2,309,731	2,568,708	2,551,018	2,344,281	2,462,466	2,487,299
Administrative information technology	1,712,196	1,881,804	2,100,888	2,268,568	2,278,389	2,843,772	2,518,884	2,689,729	2,736,938	2,856,299
Charter Schools	35,575	30,910	35,671	69,317	43,071	138,254	112,768	104,351	43,741	20,604
Post-Secondary Programs							80,054		84,964	87,388
Interest on long-term debt	3,540,119	4,439,833	3,387,409	3,311,348	3,156,892	2,728,110	2,550,050	2,353,425	2,185,147	3,165,797
Total governmental activities expenses	122,551,921	136,263,024	151,268,196	155,215,313	150,854,254	152,579,470	149,790,216	151,679,625	164,374,933	168,312,662
Business-type activities										
Food service	1,326,939	1,731,199	2,139,565	2,075,522	2,155,042	272,234	1,496,311	2,129,863	2,393,192	2,381,284
Total business-type activities	1,326,939	1,731,199	2,139,565	2,075,522	2,155,042	272,234	1,496,311	2,129,863	2,393,192	2,381,284
Total district expenses	\$ 123,878,860	\$ 137,994,223	\$ 153,407,761	\$ 157,290,835	\$ 153,009,296	\$ 152,851,704	\$ 151,286,527	\$ 153,809,488	\$ 166,768,125	\$ 170,693,946
Program Revenues										
Governmental activities:										
Charges for services:										
Instruction	\$ 112,693	\$ 170,384	\$ 241,640	\$ 354,819	\$ 266,347	\$ 364,896	\$ 367,874	\$ 384,209	\$ 317,014	\$ 402,493
Other Support Services										1,284,448
Pupil transportation and student activities	337,630	372,107	489,254	377,452	442,423	677,112	1,016,578	1,494,325	1,477,522	478,380
Operating grants and contributions	2,331,758	2,287,885	2,428,516	2,469,246	2,600,073	2,981,957	5,082,797	3,793,127	3,770,925	3,183,912
Capital grants and contributions	123,888	121,562	1,034,268	20,623						1,182,115
Total governmental activities program revenues	2,905,969	2,951,938	4,193,678	3,222,140	3,308,843	4,023,965	6,467,249	5,671,661	5,565,461	6,531,348
Business-type activities										
Charges for services										
Food service	1,333,216	1,691,124	2,102,683	2,113,314	2,212,288	64,741	1,503,368	2,130,599	2,430,791	2,468,690
Total business-type activities	1,333,216	1,691,124	2,102,683	2,113,314	2,212,288	64,741	1,503,368	2,130,599	2,430,791	2,468,690
Total district program revenues	\$ 4,239,185	\$ 4,643,062	\$ 6,296,361	\$ 5,335,454	\$ 5,521,131	\$ 4,088,706	\$ 7,970,617	\$ 7,802,260	\$ 7,996,252	\$ 9,000,038
Net (Expense)/Revenue										
Governmental activities	\$ (119,645,952)	\$ (133,311,086)	\$ (147,074,518)	\$ (151,993,173)	\$ (147,545,411)	\$ (148,555,505)	\$ (143,322,967)	\$ (146,007,964)	\$ (158,809,472)	\$ (161,781,314)
Business-type activities	6,277	(40,075)	(36,882)	37,792	57,246	(207,493)	7,057	736	37,599	87,406
Total government-wide net expense	\$ (119,639,675)	\$ (133,351,161)	\$ (147,111,400)	\$ (151,955,381)	\$ (147,488,165)	\$ (148,762,998)	\$ (143,315,910)	\$ (146,007,228)	\$ (158,771,873)	\$ (161,693,908)

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

	2016	2017	2018	2019	Year ended June 30, 2020	2021	2022	2023	2024	2025
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 97,514,537	\$ 99,918,029	\$ 102,743,234	\$ 105,790,062	\$ 108,543,272	\$ 110,344,955	\$ 111,115,953	\$ 114,141,214	\$ 117,024,036	\$ 123,752,921
Property taxes levied for debt service	6,514,901	6,853,299	7,112,478	7,156,855	7,184,380	7,242,449	7,653,208	5,956,473	5,935,798	5,773,361
Unrestricted grants and contributions	29,929,512	39,400,851	42,526,598	35,957,305	33,409,525	36,985,682	32,567,439	28,387,940	34,843,716	32,774,096
Investment earnings	88,831	150,948	221,777	248,204	144,629	105,416	174,088	275,491	175,217	642,669
Rental income	564,534	504,525	497,508	436,443	338,912	245,336	347,798	446,364	353,030	426,150
Miscellaneous income	200,351	115,767	196,469	328,831	357,697	431,742	296,498	581,918	612,077	1,414,895
Transfers						(155,000)				
Total governmental activities	<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>	<u>158,943,874</u>	<u>164,784,092</u>
Business-type activities:										
Interest earnings	1,163	2,397	6,274	9,955	5,136	564	564	754	3,091	17,129
Transfers						155,000				
Total business-type activities	<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>	<u>3,091</u>	<u>17,129</u>
Total government-wide	<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>	<u>\$ 158,946,965</u>	<u>\$ 164,801,221</u>
Change in Net Position										
Governmental activities	\$ 15,166,714	\$ 13,632,333	\$ 6,223,546	\$ (2,075,473)	\$ 2,433,004	\$ 6,645,075	\$ 8,832,017	\$ 3,781,436	\$ 134,402	\$ 3,002,778
Business-type activities	7,440	(37,678)	(30,608)	47,747	62,382	(51,929)	7,621	1,490	40,690	104,535
Total district	<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>	<u>\$ 175,092</u>	<u>\$ 3,107,313</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.

GASB 101 was implemented during the 2025 fiscal year, which required a retrospective adjustment to the June 30, 2024 net position in the amount of (\$5,777,097).

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

	As of June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Fund										
Restricted	\$ 5,018,625	\$ 4,807,728	\$ 3,812,411	\$ 4,325,441	\$ 7,145,574	\$ 11,829,174	\$ 15,325,293	\$ 16,313,075	\$ 14,563,682	\$ 10,129,151
Assigned	524,747	740,234	757,944	588,463	851,374	350,389	526,319	2,662,285	1,135,045	1,421,673
Unassigned	2,501,855	2,666,800	2,764,525	3,099,988	3,288,345	6,469,410	6,117,209	3,258,502	3,125,790	3,057,639
Total general fund	<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>	<u>\$ 18,824,517</u>	<u>\$ 14,608,463</u>
All Other Governmental Funds										
Restricted for:										
Special revenue fund	\$ 2,302,593					\$ 521,029	\$ 568,619	\$ 583,812	\$ 566,703	\$ 604,541
Debt service fund	234,706	\$ 157,471	\$ 130,368	\$ 163,560	\$ 346,768	362,541	308,531	243,474	174,140	156,151
Capital projects fund	6,436,140	4,608,223	4,540,653	4,540,653	4,540,653	4,540,653	4,540,653	3,040,653	2,000,090	1,656,278
Total all other governmental funds	<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>	<u>\$ 2,740,933</u>	<u>\$ 2,416,970</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,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenues										
Tax levy	\$ 104,029,438	\$ 106,771,328	\$ 109,855,712	\$ 112,946,917	\$ 115,727,652	\$ 117,587,404	\$ 118,769,161	\$ 120,097,687	\$ 122,959,834	\$ 129,526,282
Tuition charges	170,384	241,640	354,819	266,347	318,070	364,896	367,874	384,209	317,014	402,493
Interest earnings	47,132	63,519	159,859	183,997	103,709	40,102	33,581	123,243	101,703	642,669
Investment income	41,699	87,429	61,918	64,207	40,920	65,314	140,507	152,248	73,514	82,727
Rental income	564,534	504,525	497,508	436,443	338,912	245,336	347,798	446,364	353,030	426,150
Miscellaneous	633,408	605,021	573,921	771,254	428,944	444,934	555,359	1,004,837	849,368	1,810,548
State sources	16,645,702	19,648,364	21,434,902	25,421,839	27,112,067	32,040,488	39,015,254	40,763,223	43,659,805	46,143,082
Local sources	22,806	30,465	24,340	28,953	29,750	691,465	763,389	1,112,894	1,274,031	1,288,938
Federal sources	1,644,134	1,595,776	1,582,278	1,589,381	1,644,870	2,073,412	4,051,075	2,581,886	2,658,880	2,010,597
Total revenue	123,799,237	129,548,067	134,545,257	141,709,338	145,744,894	153,553,351	164,043,998	166,666,591	172,247,179	182,333,486
Expenditures										
Instruction										
Regular and Special Education Instruction	50,594,191	52,497,911	53,137,649	54,179,698	54,777,809	56,508,832	61,231,316	61,361,295	63,376,176	65,169,342
Undistributed:										
Instruction	6,476,692	6,520,234	6,537,171	6,872,680	6,599,011	5,861,671	5,538,416	5,503,078	7,047,161	7,451,371
Attendance and social work	67,821	97,710	63,228	61,050	63,807	43,392	51,978	94,355	128,091	124,425
Health services	983,322	976,076	970,191	936,873	912,252	918,293	892,566	879,319	1,000,793	1,035,900
Other support services	7,744,379	8,220,147	8,603,722	8,697,176	8,616,569	9,344,308	9,867,624	10,788,730	10,961,945	11,709,744
Improvement of instruction	1,904,505	2,191,192	2,016,432	2,170,172	2,313,087	2,206,794	2,507,574	2,650,159	2,581,998	2,689,692
School library	1,251,112	1,259,289	1,244,696	1,260,467	1,306,041	1,227,046	1,262,662	1,087,970	1,083,544	1,123,798
Instructional staff training	403,168	467,394	446,711	577,929	661,513	609,672	652,193	620,101	593,869	724,999
General administration	1,310,194	1,290,969	1,168,022	1,314,908	1,129,293	1,070,913	1,163,012	1,386,325	1,212,632	1,055,331
School administration	4,328,243	4,381,197	4,586,777	4,421,915	4,210,001	4,082,143	4,429,901	4,583,248	4,681,616	4,822,890
Required maintenance of plant	1,247,717	1,274,856	1,323,260	1,487,391	1,260,052	1,591,403	1,374,441	1,337,062	1,532,594	1,823,748
Operation of plant	5,485,748	5,534,372	5,569,037	5,955,341	5,695,144	5,626,003	6,432,750	6,849,661	6,725,507	7,376,453
Student transportation	3,004,148	3,163,306	3,294,251	3,755,261	3,373,284	2,542,197	4,001,505	4,693,017	5,218,544	5,090,089
Business and oth supp. services and benefits	17,135,977	17,963,795	18,953,666	20,222,489	20,988,918	21,038,564	21,195,034	24,557,736	27,067,083	27,231,250
On Behalf TPAF social security and pension/medical contributions	11,507,978	13,351,771	15,730,398	18,129,199	19,051,761	22,946,139	29,131,419	30,105,959	31,432,639	31,455,568
Capital outlay	5,720,943	6,483,837	5,830,484	4,293,689	5,644,812	4,226,893	3,855,364	5,202,373	6,792,312	11,583,892
Charter Schools	30,910	35,671	69,317	43,071	116,590	138,254	112,768	104,351	43,741	58,697
Post-Secondary Programs							80,054		54,750	20,604
Debt service:										
Costs of issuance										186,567
Principal	4,310,000	4,030,000	4,560,000	4,635,000	4,820,000	5,010,000	5,425,000	5,460,000	5,190,000	5,140,000
Interest	3,153,228	3,846,550	3,624,800	3,482,825	3,325,350	3,161,250	2,963,300	2,731,675	2,505,050	2,280,363
Total expenditures	126,660,276	133,586,277	137,729,812	142,497,134	144,865,294	148,153,767	162,168,877	169,996,414	179,230,045	188,154,723
Excess (Deficiency) of revenues over (under) expenditures	(2,861,039)	(4,038,210)	(3,184,555)	(787,796)	879,600	5,399,584	1,875,121	(3,329,823)	(6,982,866)	(5,821,237)
Other Financing sources (uses)										
Financed purchases (nonbudgeted)	3,800,000		2,210,000	1,500,000	2,575,009	1,800,000	1,438,307	2,045,000	2,446,515	1,094,653
Refunding bonds issued	69,510,000									37,120,000
Premium on bonds issued	8,886,902									1,653,227
Payment to refunding bond escrow agent	(69,473,054)									(38,586,660)
Transfers in	2,967,026	48,763	112,758	96,211	129,023	41,658	71,197	1,583,183	1,059,184	3,497,905
Transfers out	(2,967,026)	(48,763)	(112,758)	(96,211)	(129,023)	(196,658)	(71,197)	(1,583,183)	(1,059,184)	(3,497,905)
Total other financing sources (uses)	12,723,848	-	2,210,000	1,500,000	2,575,009	1,645,000	1,438,307	2,045,000	2,446,515	1,281,220
Net change in fund balances	\$ 9,862,809	\$ (4,038,210)	\$ (974,555)	\$ 712,204	\$ 3,454,609	\$ 7,044,584	\$ 3,313,428	\$ (1,284,823)	\$ (4,536,351)	\$ (4,540,017)
Debt service as a percentage of noncapital expenditures	6.2%	6.2%	6.2%	5.9%	5.9%	5.7%	5.3%	5.0%	4.5%	4.2%

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
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
2024	317,014	83,082	353,030	237,291	612,077	1,602,494
2025	402,493	574,164	426,150	478,380	1,332,168	3,213,355

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
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	\$ 1.480
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	1.520
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	1.540
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	1.560
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	1.370
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	1.380
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	1.380
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	1.423
2024	78,222,400	7,319,845,300		1,014,198,900	104,453,300	128,341,900	8,645,061,800	10,622,900	8,655,684,700	1.496
2025	83,087,300	7,407,459,900		936,638,500	104,453,300	161,264,900	8,692,903,900	9,549,300	8,702,453,200	1.542

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	
2016	\$ 1.380	\$ 0.100	\$ 1.480	\$ 0.468	\$ 0.550	\$ 2.498
2017	1.420	0.100	1.520	0.460	0.560	2.540
2018	1.440	0.100	1.540	0.479	0.560	2.579
2019	1.460	0.100	1.560	0.480	0.570	2.610
2020	1.270	0.100	1.370	0.430	0.477	2.277
2021	1.280	0.100	1.380	0.440	0.480	2.300
2022	1.280	0.100	1.380	0.460	0.470	2.310
2023	1.367	0.069	1.423	0.478	0.471	2.372
2024	1.426	0.070	1.496	0.492	0.458	2.446
2025	1.476	0.066	1.542	0.517	0.472	2.531

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	2025			2016		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Livingston Mall	\$ 80,000,000	1	0.92%	\$ 132,000,000	1	1.84%
Squiertown Properties, LLC	50,985,500	2	0.59%			
369 East Mount Pleasant Ave, LLC	40,000,000	3	0.46%			
KRG Livingston Center, LLC	35,359,400	4	0.41%			
Livingston Circle Assoc., LP	35,000,000	5	0.40%	38,000,000	2	0.53%
Livingston Corp Park Assoc LLC	34,123,000	6	0.39%			
Livingston Retirement Care Assoc.	31,260,800	7	0.36%	30,250,300	4	0.42%
Livingston ALF AMPROP LLC	30,000,000	8	0.34%			
348 E. Cedar LLC	28,000,000	9	0.32%			
Formosa Plastics, Corp. USA	26,320,000	10	0.30%	28,000,000	7	0.39%
Esplanade Livingston, LLC				20,000,000	10	0.28%
CIT Group Inc.				31,992,000	3	0.45%
Eastgreen Inc.				30,175,000	5	0.42%
Trustee Sears Facilities				29,469,900	6	0.41%
Care Two, LLC				22,400,000	8	0.31%
Allwood Associates				21,500,000	9	0.30%
Total	<u>\$ 391,048,700</u>		<u>4.49%</u>	<u>\$ 383,787,200</u>		<u>5.35%</u>

Source: Municipal Tax Assessor and Treasurer.

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

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy Amount	Percentage of Levy	Collections in Subsequent Years
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%	
2024	122,959,834	112,973,345	91.88%	\$ 9,986,489
2025	129,526,282	129,526,272	99.99%	10

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

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

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

Fiscal Year Ended June 30,	Governmental Activities			Total District	Percentage of Personal Income ^a	Per Capita ^a
	General	Financed	Grant			
	Obligation Bonds	Purchases and Leases	Anticipation Notes			
2016	\$ 93,140,000	\$ 4,555,541	\$ 5,000,000	\$102,695,541	0.06%	\$ 57,228
2017	89,110,000	3,736,161		92,846,161	0.06%	58,707
2018	84,550,000	4,401,341		88,951,341	0.07%	59,322
2019	79,915,000	4,024,052		83,939,052	0.08%	63,077
2020	75,095,000	3,406,174		78,501,174	0.09%	67,431
2021	70,085,000	4,724,255		74,809,255	0.10%	74,714
2022	64,660,000	5,953,027		70,613,027	0.11%	76,488
2023	59,200,000	5,699,571		64,899,571	0.12%	80,460
2024	54,010,000	6,266,665		60,276,665	N/A	N/A
2025	47,965,000	5,473,791		53,438,791	N/A	N/A

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		
2016	\$ 98,140,000	\$ 234,706	\$ 97,905,294	1.36%	\$ 57,228
2017	89,110,000	157,471	88,952,529	1.23%	58,707
2018	84,550,000	130,368	84,419,632	1.16%	59,322
2019	79,915,000	163,560	79,751,440	1.08%	63,077
2020	75,095,000	346,768	74,748,232	0.87%	67,431
2021	70,085,000	362,541	69,722,459	0.81%	74,714
2022	64,660,000	308,531	64,351,469	0.75%	76,488
2023	59,200,000	243,474	58,956,526	0.68%	80,460
2024	54,010,000	174,140	53,835,860	0.62%	N/A
2025	47,965,000	156,151	48,121,151	0.58%	N/A

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, 2025
Unaudited

	<u>Debt Outstanding</u>	<u>Estimated</u>	<u>Estimated Share of</u>
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			<u>\$ 47,965,000</u>
Total direct and overlapping debt			<u><u>\$ 47,965,000</u></u>

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

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

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

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

Legal Debt Margin Calculation for Fiscal Year 2025

Equalized valuation basis		
	2025	\$ 12,565,631,541
	2024	11,607,225,832
	2023	10,355,437,193
		<u>\$ 34,528,294,566</u>
Average equalized valuation of taxable property (Using available years)		<u>\$ 11,509,431,522</u>
Debt limit (4 % of average equalization value)	\$	460,377,261
Net bonded school debt		48,121,151
Legal debt margin	\$	<u>412,256,110</u>

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Debt limit	\$ 303,157,184	\$ 306,676,231	\$ 312,482,797	\$ 319,012,328	\$ 333,991,209	\$ 269,754,785	\$ 351,363,687	\$ 383,767,997	\$ 404,321,184	\$ 460,377,261
Total net debt applicable to limit	<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>	<u>53,835,860</u>	<u>48,121,151</u>
Legal debt margin	<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>\$ 324,811,471</u>	<u>\$ 350,485,324</u>	<u>\$ 412,256,110</u>
Total net debt applicable to the limit as a percentage of debt limit	34.41%	31.10%	30.43%	28.32%	22.48%	28.22%	18.31%	15.36%	13.32%	10.45%

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
2016	29,607	\$ 1,694,349,396	\$ 57,228	5.6%
2017	29,644	1,740,310,308	58,707	5.2%
2018	29,729	1,763,583,738	59,322	4.7%
2019	30,090	1,897,986,930	63,077	4.1%
2020	30,428	2,051,790,468	67,431	10.6%
2021	30,397	2,271,081,458	74,714	8.0%
2022	31,087	2,377,782,456	76,488	4.5%
2023	31,000	2,494,260,000	80,460	5.1%
2024	31,089	N/A	N/A	5.5%
2025	32,160	N/A	N/A	N/A

Source:

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

b Personal income has been estimated based upon the municipal population and per capita personal income pre-

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>	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Instruction										
Regular	402	402	403	412	419	423	431	427	430	444
Special education	67	70	71	75	76	75	79	105	112	110
Support services										
Student & instruction related services	104	110	110	114	116	117	118	115	114	114
General administrative services	13	14	16	17	17	17	17	3	3	3
School administrative services	42	43	44	44	44	46	45	42	42	43
Business administrative services	12	12	12	12	12	12	13	24	24	24
Plant operations and maintenance	57	59	59	59	59	59	61	66	67	65
Pupil transportation	28	29	29	32	32	33	32	43	43	41
Total	<u>725</u>	<u>739</u>	<u>744</u>	<u>765</u>	<u>775</u>	<u>782</u>	<u>796</u>	<u>825</u>	<u>835</u>	<u>844</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
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%	554	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%
2024	6,465	164,742,683	25,482	4.10%	568	1:13	1:11	1:11	6,440	6,159	1.44%	95.64%
2025	6,355	168,963,901	26,588	7.86%	565	1:13	1:11	1:11	6,364	6,085	-1.19%	95.62%

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

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
<u>District Building</u>										
<u>Elementary</u>										
Burnet Hill Elementary										
Square Feet	55,467	55,467	55,467	55,467	55,467	55,467	55,467	55,467	55,467	55,467
Capacity (students)	522	522	522	522	522	522	522	522	522	522
Enrollment	472	447	475	461	486	442	449	462	468	425
Riker Hill Elementary										
Square Feet	53,440	53,440	53,440	53,440	53,440	53,440	53,440	53,440	53,440	53,440
Capacity (students)	414	414	414	414	414	414	414	414	414	414
Enrollment	398	375	402	396	397	401	431	478	486	477
Collins Elementary										
Square Feet	53,309	53,309	53,309	53,309	53,309	53,309	53,309	53,309	53,309	53,309
Capacity (students)	424	424	424	424	424	424	424	424	424	424
Enrollment	481	467	453	464	462	457	449	461	471	440
Harrison Elementary										
Square Feet	75,151	75,151	75,151	75,151	75,151	75,151	75,151	75,151	75,151	75,151
Capacity (students)	656	656	656	656	656	656	656	656	656	656
Enrollment	480	451	473	465	449	459	483	490	514	522
Hillside Elementary										
Square Feet	51,694	51,694	51,694	51,694	51,694	51,694	51,694	51,694	51,694	51,694
Capacity (students)	529	529	529	529	529	529	529	529	529	529
Enrollment a	407	394	399	404	397	391	417	438	487	476
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	446	428	434	438	426	415	435	443	435	407
<u>Middle Schools</u>										
Heritage										
Square Feet	150,861	150,861	150,861	150,861	150,861	150,861	150,861	150,861	150,861	150,861
Capacity (students)	1,152	1,152	1,152	1,152	1,152	1,152	1,152	1,152	1,152	1,152
Enrollment	973	958	958	991	1,007	1,029	1,014	1,007	1,008	997
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	463	464	481	484	474	483	477	474	487	530
<u>High School</u>										
Livingston High School										
Square Feet	302,127	302,127	302,127	302,127	302,127	302,127	302,127	302,127	302,127	302,127
Capacity (students)	1,736	1,736	1,736	1,736	1,736	1,736	1,736	1,736	1,736	1,736
Enrollment	1,830	1,892	1,896	1,902	1,988	1,943	1,970	2,066	2,081	2,081
Number of Schools at June 30, 2025										
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)	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Livingston High School	50	\$ 510,648	\$ 429,125	\$ 374,376	\$ 389,130	\$ 445,593	\$ 352,815	\$ 416,470	\$ 370,514	\$ 356,961	\$ 349,361
Heritage Middle School	55	346,512	291,193	254,042	264,052	302,367	239,410	282,605	251,420	242,222	237,066
Mt. Pleasant Middle School	60	237,087	199,237	173,818	180,667	206,883	163,807	193,361	172,024	165,731	162,203
Burnet Hill	70	127,662	107,281	93,594	97,282	111,397	88,203	104,117	92,628	89,240	87,340
Collins	80	109,425	91,956	80,224	83,385	95,484	75,603	89,243	79,395	76,491	74,863
Harrison	90	164,138	137,934	120,336	125,077	143,227	113,405	133,866	119,094	114,738	112,295
Hillside	100	109,425	91,956	80,224	83,385	95,484	75,603	89,243	79,395	76,491	74,863
Mt.Pleasant	110	109,425	91,956	80,224	83,385	95,484	75,603	89,243	79,395	76,491	74,863
Riker Hill	118	109,425	91,956	80,224	83,385	95,484	75,603	89,243	79,395	76,491	74,863
Total School Facilities		<u>\$ 1,823,748</u>	<u>\$ 1,532,594</u>	<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>

Source: District records of required maintenance.

LIVINGSTON BOARD OF EDUCATION
INSURANCE SCHEDULE
As of June 30, 2025
UNAUDITED

Commercial Package Policy	COVERAGE	DEDUCTIBLE
Real & Personal Property (per occurrence)	\$350,000,000	\$5,000
Blanket Extra Expense	\$50,000,000	\$5,000
Blanket Valuable Paper & Records	\$10,000,000	\$5,000
Demolition & Increased Cost of Construction	\$25,000,000	
Limited Builders Risk	\$10,000,000	
Fire Dept. Service Charge	\$10,000	
Arson Reward	\$10,000	
Pollution Cleanup & Removal	\$250,000	
Flood/Earthquake:		
Flood Zone A & V	\$25,000,000	\$500,000
All Other Flood Zones	\$75,000,000	\$10,000
Earthquake	\$50,000,000	\$1,000
Terrorism	\$1,000,000	
Electronic Data Processing:		
Blanket Hardware/Software, Extra Expense, Business Income, Transit, Property Limit	Incl. Property Limit	\$1,000
Flood (Deductible for Zone A & Z)		\$500,000
(Deductible All Other Flood Zones)		\$10,000
Equipment Breakdown		
Combined Single Limit/Accident for Property Damage & Business Income	\$100,000,000	\$5,000
Property Damage	Included	\$5,000
Off Premises Property Damage	\$1,000,000	\$5,000
Extra Expense	\$10,000,000	\$5,000
Service Interruption	\$10,000,000	\$5,000
Perishable Goods	\$1,000,000	\$5,000
Data Restoration	\$1,000,000	\$5,000
Demolition	\$1,000,000	\$5,000
Ordinance or Law	\$1,000,000	\$5,000
Expediting Expense	\$1,000,000	\$5,000
Hazardous Substances	\$1,000,000	\$5,000
Newly Acquired Locations - 120 Days Notice	\$1,000,000	\$5,000
Crime Coverage:		
Public Employee Dishonesty	\$50,000	\$1,000
Theft, Disapp. & Destruction/Money Orders & Counterfeit Currency	\$50,000	\$1,000
Forgery or Alteration	\$50,000	\$1,000
Computer Fraud	\$50,000	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	Statutory	
Bodily Injury by Accident	\$2,000,000	
Bodily Injury by Disease	\$2,000,000	
Student Accident		
All Student Coverage	\$25,000	
Catastrophic Coverage	\$7,500,000	\$25,000
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, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 5, 2025.

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.

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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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2025-001 and 2025-002 that we consider to be material weaknesses.

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.

District's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the findings identified in our audit described in the accompanying schedule of findings and questioned costs. The District's responses were not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

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
December 5, 2025

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, 2025. 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, 2025.

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.

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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.

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
December 5, 2025

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, 2025

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal AL Number	Federal FAIN Number	Grant Period	Award Amount	June 30, 2024			Cash Received	Budgetary Expenditures	Adjustments	June 30, 2025			Amounts Provided To Subrecipients
					(Accounts Receivable)	Unearned Revenue	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 Health and Human Services:														
Medical Assistance - SEMI - Medicaid Cluster	93.778	2105NJ5MAP	7/1/24-6/30/25	\$ 13,433				\$ 13,433	\$ (13,433)					
Total General Fund								13,433	(13,433)					
Special Revenue Fund:														
U.S. Department of Education -														
Passed Through the State Department of Education:														
Title I, Part A	84.010A	S010A230030	7/1/23-9/30/24	145,093	\$ (57,359)			68,450	(11,091)					
Title I, Part A	84.010A	S010A240030	7/1/24-9/30/25	144,239				78,561	(122,102)		\$ (43,541)			
Title II-A	84.367A	S367A230029	7/1/23-9/30/24	75,963	(13,512)			13,512						
Title II-A	84.367A	S367A240029	7/1/24-9/30/25	90,211				72,025	(87,425)		(15,400)			
Title III	84.365A	S365A230030	7/1/23-9/30/24	31,995	(2,059)			10,498	(8,439)					
Title III	84.365A	S365A240030	7/1/24-9/30/25	27,537				17,622	(25,302)		(7,680)			
Title III Immigrant	84.365A	S365A230030	7/1/23-9/30/24	18,573	(1,584)			1,584						
Title III Immigrant	84.365A	S365A240030	7/1/24-9/30/25	20,119				17,160	(17,659)		(499)			
Title IV	84.424	S424A230031	7/1/23-9/30/24	13,190	(10,464)			10,464						
Title IV	84.424	S424A240031	7/1/24-9/30/25	10,583				5,875	(5,875)					
					(84,978)			295,751	(277,893)		(67,120)			
Special Education Cluster:														
IDEA Part B, Basic	84.027A	H027A240100	7/1/24-9/30/25	1,582,610				1,298,125	(1,450,705)	\$ (1)	(152,581)			
IDEA Part B, Basic	84.027A	H027A230100	7/1/23-9/30/24	1,648,099	(356,023)			420,935	(64,912)					
IDEA Part B, Preschool	84.173A	H173A240114	7/1/24-9/30/25	64,278				30,451	(63,449)		(32,998)			
IDEA Part B, Preschool	84.173A	H173A0114	7/1/23-9/30/24	66,604	(3,870)			3,870						
Total Special Education Cluster					(359,893)			1,753,381	(1,579,066)	(1)	(185,579)			
Education Stabilization Fund (ESF):														
COVID-19 ARP ESSER	84.425U	S425U210027	3/13/20-9/30/24	941,405	(48,652)			85,904		(37,252)				
COVID-19 ARP ESSER - Accelerated Learning Coaching and Educator Support Grant	84.425U	S425U210027	3/13/20-9/30/24	496,713	(82,714)			46,863		35,851				
ARP ESSER - NJTSS Mental Health Supporting Staff	84.425U	S425U210027	3/13/20-9/30/24	45,000	(14,632)			13,230		1,402				
High Impact Tutoring	84.425U	S425U240027	10/11/23-8/31/24	154,000	(33,921)			149,427	(140,205)		(24,699)			
Total Education Stabilization Fund (ESF)					(179,919)	-		295,424	(140,205)	1	(24,699)			
Total U.S. Department of Education -														
Passed Through the State Department of Education					(624,790)	-		2,344,556	(1,997,164)		(277,398)			
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	7/1/22-6/30/24	192,113	(51,257)			96,056			\$ 44,799			
Total U.S. Department of the Treasury Passed-Through State														
Department of Education					(51,257)			96,056			44,799			
Total Special Revenue Fund					(676,047)			2,440,612	(1,997,164)		(277,398)	44,799		
Total Federal Awards Expenditures					\$ (676,047)	\$ -	\$ -	\$ 2,454,045	\$ (2,010,597)	\$ -	\$ (277,398)	\$ 44,799	\$ -	\$ -

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, 2025

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	June 30, 2024			Cash Received	Budgetary Expenditures	Cancellation / Adjustment	Repayment of Prior Years' Balances	June 30, 2025			Memo	
				(Accounts Receivable)	Unearned Revenue	Due to Grantor					(Accounts Receivable)	Unearned Revenue	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures
General Fund:															
State Department of Education															
Special Education Categorical Aid	495-034-5120-089	7/1/23-6/30/24	\$ 7,049,480	\$ (686,629)			\$ 686,629								
Social Education Categorical Aid	495-034-5120-089	7/1/24-6/30/25	7,775,498				7,010,088	\$ (7,775,498)						\$ (765,410)	\$ (7,775,498)
Transportation Aid	495-034-5120-014	7/1/23-6/30/24	1,303,530	(126,966)			126,966								
Transportation Aid	495-034-5120-014	7/1/24-6/30/25	1,403,282				1,265,145	(1,403,282)						(138,137)	(1,403,282)
Security Aid	495-034-5120-084	7/1/23-6/30/24	434,880	(42,358)			42,358								
Security Aid	495-034-5120-084	7/1/24-6/30/25	648,405				584,577	(648,405)						(63,828)	(648,405)
Extraordinary Aid	100-034-5120-044	7/1/23-6/30/24	1,796,496	(1,796,496)			1,796,496								
Extraordinary Aid	100-034-5120-044	7/1/24-6/30/25	1,934,292					(1,934,292)			\$ (1,934,292)				(1,934,292)
Additional NonPublic Transportation Aid	Not available	7/1/23-6/30/24	129,675	(129,675)			129,675								
Additional NonPublic Transportation Aid	Not available	7/1/24-6/30/25	126,800					(126,800)			(126,800)				(126,800)
Reimbursed TPAF - Social Security	495-034-5094-003	7/1/23-6/30/24	4,412,936	(218,190)			218,190								
Reimbursed TPAF - Social Security	495-034-5094-003	7/1/24-6/30/25	4,551,409				4,327,300	(4,551,409)				(224,109)			(4,551,409)
On-Behalf Teachers' Pension and Annuity Fund	495-034-5094-002	7/1/24-6/30/25	20,812,574				20,812,574	(20,812,574)							(20,812,574)
On-Behalf Teachers' Pension and Annuity Fund - Post-Retirement Medical	495-034-5094-001	7/1/24-6/30/25	6,081,451				6,081,451	(6,081,451)							(6,081,451)
On-Behalf Teachers' Pension and Annuity Fund - Non-Contributory Insurance	495-034-5094-004	7/1/24-6/30/25	10,134				10,134	(10,134)							(10,134)
Total General Fund				(3,000,314)			43,091,583	(43,343,845)			(2,285,201)			(967,375)	(43,343,845)
Special Revenue Fund:															
New Jersey Non-Public Aids															
Textbook Aid	100-034-5120-064	7/1/24-6/30/25	40,810										\$ 526		(40,284)
Textbook Aid	100-034-5120-064	7/1/23-6/30/24	45,439		\$ 357		40,810	(40,284)		\$ 357					
Technology Aid	100-034-5120-373	7/1/24-6/30/25	71,785				71,785	(68,115)				3,670			(68,115)
Technology Aid	100-034-5120-373	7/1/23-6/30/24	71,295			36					36				
Security Aid	100-034-5120-509	7/1/24-6/30/25	310,780				310,780	(286,511)					24,269		(286,511)
Security Aid	100-034-5120-509	7/1/22-6/30/23	307,500			3,000							3,000		
Security Aid	100-034-5120-509	7/1/23-6/30/24	308,730			57					57				
Nonpublic Nursing Services	100-034-5120-070	7/1/24-6/30/25	197,080				197,080	(197,080)							(197,080)
Nonpublic Nursing Services	100-034-5120-070	7/1/23-6/30/24	180,720			8,400					8,400				
Non Public Auxiliary Services (Ch. 192):															
English as a Second Language	100-034-5120-067	7/1/24-6/30/25	2,472				2,472	(2,296)					176		(2,296)
Compensatory Education	100-034-5120-067	7/1/24-6/30/25	59,821				59,821	(54,701)					5,120		(54,701)
Compensatory Education	100-034-5120-067	7/1/23-6/30/24	67,431			7,805				7,805					
Home Instruction	100-034-5120-067	7/1/24-6/30/25	1,108					(1,108)			(1,108)			(1,108)	(1,108)
Non Public Handicapped Services (Ch. 193):															
Supplemental Instruction	100-034-5120-066	7/1/24-6/30/25	192,458				192,458	(174,947)					17,511		(174,947)
Supplemental Instruction	100-034-5120-066	7/1/23-6/30/24	178,416			32,874					32,874				
Examination and Classification	100-034-5120-066	7/1/24-6/30/25	176,937				176,937	(176,937)							(176,937)
Examination and Classification	100-034-5120-066	7/1/23-6/30/24	232,241			41,119					41,119				
Corrective Speech	100-034-5120-066	7/1/24-6/30/25	60,450				60,450	(51,336)					9,114		(51,336)
Corrective Speech	100-034-5120-066	7/1/23-6/30/24	53,940			14,415					14,415				
Non Public STEM															
	100-034-5068-051	7/1/23-6/30/24	12,134		436		6,903					\$ 7,339			
Schools Development Authority - Emergency and Capital Aid	100-034-5120-519	7/1/23-6/30/25	153,845					(108,045)				24,047			(108,045)
Total Special Revenue Fund					132,528	108,063	1,119,496	(1,161,360)		105,063	(1,108)	31,386	63,386	(1,108)	(1,161,360)
Capital Projects Fund:															
School Development Authority															
Heritage Middle School	2730-055-23-R501	11/29/23 - Completion	116,400					(116,400)			(116,400)			(116,400)	(116,400)
Burnet Hill elementary School	2730-070-23-R501	11/29/23 - Completion	232,400					(173,880)			(173,880)			(232,400)	(173,880)
Harrison Elementary School	2730-090-23-R501	11/29/23 - Completion	232,400					(232,400)			(232,400)			(232,400)	(232,400)
Livingston High School	2730-050-23-R501	11/29/23 - Completion	232,400					(232,400)			(232,400)			(232,400)	(232,400)
Mount Pleasant Middle School	2730-060-23-R501	11/29/23 - Completion	403,000					(403,000)			(403,000)			(403,000)	(403,000)
Hillside Elementary School	2730-100-23-R501	11/29/23 - Completion	403,000					(24,035)			(24,035)			(403,000)	(24,035)
Total Capital Projects Fund								(1,182,115)			(1,182,115)			(1,619,600)	(1,182,115)
Debt Service Fund:															
Debt Service Aid	495-034-5120-017	7/1/24-6/30/25	546,286				546,286	(546,286)							(546,286)
Total Debt Service Fund							546,286	(546,286)							(546,286)
Total State Financial Assistance				\$ (3,000,314)	\$ 132,528	\$ 108,063	\$ 44,757,365	\$ (46,233,606)	\$ -	\$ 105,063	\$ (3,468,424)	\$ 31,386	\$ 63,386	\$ (2,588,083)	\$ (46,233,606)
State Financial Assistance Not Subject to Single Audit Determination:															
On-Behalf Teachers' Pension and Annuity Fund	495-034-5094-002	7/1/24-6/30/25	20,812,574				20,812,574	(20,812,574)							(20,812,574)
On-Behalf Teachers' Pension and Annuity Fund - Post-Retirement Medical	495-034-5094-001	7/1/24-6/30/25	6,081,451				6,081,451	(6,081,451)							(6,081,451)
On-Behalf Teachers' Pension and Annuity Fund - Non-Contributory Insurance	495-034-5094-004	7/1/24-6/30/25	10,134				10,134	(10,134)							(10,134)
Total State Financial Assistance Subject to Single Audit Determination															
				\$ (3,000,314)	\$ 132,528	\$ 108,063	\$ 17,853,206	\$ (19,329,447)	\$ -	\$ 105,063	\$ (3,468,424)	\$ 31,386	\$ 63,386	\$ (2,588,083)	\$ (19,329,447)

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, 2025

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, 2025. 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, 2025

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.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$120,251 for the general fund and \$20,898 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, 2025

3. Relationship to Basic Financial Statements (continued)

	Federal	State	Total
General Fund	\$ 13,433	\$ 43,232,423	\$ 43,245,856
Special Revenue Fund	1,997,164	1,182,258	3,179,422
Capital Projects Fund		1,182,115	1,182,115
Debt Service Fund		546,286	546,286
Total financial award revenues	<u>\$ 2,010,597</u>	<u>\$ 46,143,082</u>	<u>\$ 48,153,679</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, 2025. The post retirement pension and medical benefits received on-behalf of the District for the year ended June 30, 2025 amounted to \$26,904,159. 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, 2025

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?

 X Yes 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 report the 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	H027A240100/ H173A240114	Special Education Cluster IDEA Part B Basic / IDEA Part B Preschool

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, 2025

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
495-034-5220-044	Extraordinary Aid
495-034-5120-014	Transportation Aid
Not Available	New Jersey Schools Development Authority – ROD Grants

Livingston Board of Education

Schedule of Findings and Questioned Costs

Year ended June 30, 2025

Part II - Schedule of Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, fraud, illegal acts, violations of provisions of contracts and grant agreements and abuse related to the financial statements in accordance with *Government Auditing Standards*.

Finding 2025-001

Material weakness in financial statement close process.

Criteria or Specific Requirement:

A properly functioning financial statement close process provides an adequate internal control system to ensure that appropriate month and year-end controls are in place to ensure that financial statements are produced on a timely basis and are materially accurate.

Condition:

The District's accounting office personnel perform certain financial statement close procedures on a monthly basis and at year end which include the posting of journal entries and other various accruals and reconciliations. We noted that the formalized process that requires account balances to be reconciled and reviewed in totality to ensure the timeliness of the close process was not always followed.

Context:

During our procedures, we made several adjustments in order to reconcile account balances to the subsidiary ledgers and underlying records and reclassify budget amounts, revenues and expenditures. The following are specific items that were identified related to the financial statement close process:

- General Fund original budget amounts per the internal budget reports were not in agreement with the adopted budget.
- Prior year cancelled encumbrances and encumbrances that were reclassified to accounts payable were not adjusted in the system resulting in the modified budget including rolled over appropriations that should have been adjusted, which resulted in budgetary line item over expenditures.

Livingston Board of Education

Schedule of Findings and Questioned Costs

Year ended June 30, 2025

Part II - Schedule of Financial Statement Findings

Finding 2025-001 (continued)

Context (Continued)

- The District received \$740,997 of insurance reimbursements during the 2024-25 fiscal year that related to prior year incurred expenditures. This reimbursement was recorded as a refund to budgetary expenditures, resulting in negative expenditures being reported against budgetary accounts. The District transferred more funds out of a budget account than was appropriated, resulting in a modified budget account in the negative status and budgetary line item over-expenditures.
- The District did not properly record Capital Projects budgets and expenditures in the Capital Projects fund related to New Jersey Schools Development Authority ROD grants. The local share of funds approved to be transferred from the capital reserve in the amount of \$2,429,400 and the associated budgeted appropriations were not recorded in the Capital Projects Fund. Additionally, the transfer of these funds from the General Fund was not recorded in the General Fund. The result of these unrecorded transactions was \$1,839,561 of expenditures charged to the General Fund capital outlay budget that required reclassification to the Capital Projects Fund. This also resulted in budgetary line item over expenditures.
- The District did not enter into a lease purchase agreement to finance the purchases of technology equipment during the 2024-25 year. As a result, the District issued purchase orders and incurred expenditures for these items. The District expended \$1,692,180 of funds that were not budgeted for and no alternate financing of these items occurred. This resulted in budgetary line item over expenditures.
- The District did not request additional funding for its Non-Public Chapter 192/193 programs resulting in incurring expenditures in excess of the grant awards.

Cause and Effect:

An appropriately designed financial statement close process reduces the risk of errors in the financial statements. In addition, adjustments were proposed during preparation of the financial statements that could be avoided if the District had a more structured monthly and year end close-out process.

Livingston Board of Education
Schedule of Findings and Questioned Costs
Year ended June 30, 2025

Part II - Schedule of Financial Statement Findings

Finding 2025-001 (continued)

Recommendation:

In order to ensure a more efficient and accurate monthly and year end close process, we suggest that the District continue to strengthen the controls surrounding the reconciliation procedures of the District's balance sheets and budgetary reports to ensure all accounts are reconciled and in agreement with supporting documentation.

View of Responsible Officials and Planned Corrective Action:

District management concurs with the finding, as there was turnover of key employees during the current fiscal year which had a significant effect on specific functions and fiscal operations. The District will develop a corrective action plan in response to the recommendation above. District management has already commenced the process of developing and implementing a more formal financial close process that includes, but is not limited to, monthly account reconciliations, reports and controls addressing the reconciliation and account analysis of the general ledger to corroborative records.

Livingston Board of Education

Schedule of Findings and Questioned Costs

Year ended June 30, 2025

Part II - Schedule of Financial Statement Findings

Finding 2025-002

Material weakness - The payroll agency bank account was not properly reconciled during the 2024-2025 fiscal year.

Criteria or Specific Requirement:

A properly functioning payroll deduction remittance and bank account reconciliation process provides an adequate internal control system to ensure that all payroll disbursements match corresponding bank transactions and that all payments are made to the appropriate agencies by the required statutory deadlines and in correct amounts.

Condition:

The District's payroll department personnel perform certain monthly and quarterly payroll deduction review processes to ensure amounts withheld from employees are being properly and timely remitted to the respective local, state and federal agencies. Additionally, the Treasurer of School monies follows certain procedures to review and investigate all general ledger and bank statement activity in order to properly reconcile the cash balance held in the payroll agency bank account. We noted that the formalized process that requires the transactions to be reconciled and reviewed in totality to ensure the accuracy of the cash reconciliation and the timeliness of remittances to various agencies was not being performed.

Context:

The following are specific items that we identified related to the payroll and payroll agency processes.

- The June 30, 2025 agency bank reconciliation included a reconciled balance of (\$1,215,625) resulting from reconciling items of \$1,215,625 that were deemed to be invalid.
 - Approximately \$172,000 of outstanding reconciling items related to State of New Jersey unemployment and family leave insurance withholdings that were incorrectly reported as outstanding items.
 - Approximately \$916,000 of outstanding reconciling items related to the federal withholdings due to the United States Department of Treasury that were incorrectly reported as outstanding items.
 - Miscellaneous reconciling items of \$226,000 were incorrectly reported as outstanding items.

Livingston Board of Education

Schedule of Findings and Questioned Costs

Year ended June 30, 2025

Part II - Schedule of Financial Statement Findings

Finding 2025-002 (continued)

- The District issued payments to the United States Department of Treasury for employees' federal withholding that were not in agreement with the amounts withheld as reported on the various payroll register reports. The District identified and took steps to remedy these transactions.
- The District issued payments to the State of New Jersey for unemployment and family leave insurance withholdings that were not in agreement with the amounts reported on the various payroll register reports, resulting in approximately \$174,000 of employee withholdings not remitted to the State of New Jersey.

Cause and Effect:

An appropriately designed payroll agency account reconciliation process reduces the risk of invalid reconciling items being included on the monthly reconciliations. As a result of the review of these reconciling items, \$1,315,003 of outstanding checks were cancelled and removed from the bank reconciliation and the reconciled balance was adjusted from the client reported amount of (\$1,215,625) to \$99,377.

Recommendation:

We suggest the District strengthen its internal control process over the reconciliation of the payroll agency account as well as the review of the payroll agency subsidiary ledger to investigate and clear any reconciling items determined to be incorrectly reported and to ensure remittances to the appropriate agencies are made timely and in the correct amounts to avoid potential penalties.

View of Responsible Officials and Planned Corrective Action:

District management concurs with the findings, as there was turnover of key employees during the current fiscal year which had a significant effect on specific functions and fiscal operations. The District will develop a corrective action plan in response to the recommendation above. District management has already commenced the process of developing and implementing a more formal payroll agency bank reconciliation and remittance of payroll deductions to the proper agencies process.

Livingston Board of Education

Schedule of Findings and Questioned Costs

Year ended June 30, 2025

**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 the 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.