

CITY OF LIVINGSTON, MONTANA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Prepared by the City of Livingston Finance Department

CITY OF LIVINGSTON, MONTANA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
JUNE 30, 2019

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PART I

INTRODUCTORY SECTION

City Manager
Michael Kardoes

(406) 823-6000 phone
(406) 222-6823 fax

citymanager@livingstonmontana.org
www.livingstonmontana.org



Chairperson
Dorel Hoglund

Vice Chairman
Quentin Schwartz

Commissioners
Mel Friedman
Warren Mabie
Melissa Nootz

November 15, 2019

To the Citizens of the
City of Livingston, Montana

The Comprehensive Annual Financial Report of the City of Livingston, Montana, for the fiscal year ended June 30, 2019 is hereby submitted. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the various funds of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

PROFILE OF GOVERNMENT

The City of Livingston is the county seat of Park County, Montana and was incorporated in 1889. The City is bordered by the Yellowstone River and is just north of Yellowstone National Park. With a population of 7,784 as of the 2018 census estimate, it is the 12th largest city in the state according to the 2010 Census.

The City of Livingston is governed by a commission-manager form of government. The City Commission is composed of five non-partisan commissioners, elected at large by the voters of the City. The Commission elects a Chair and Vice Chair annually. The Livingston City Commission is the legislative and policy-making body of the City and is responsible for the performance of all duties and obligations imposed upon the City by state law. The City Manager is appointed by, and serves at the pleasure of, the City Commission. The City Manager's primary duty is to ensure that policies and guidelines adopted by the City Commission are executed as efficiently, fairly, and effectively as possible.

The government provides a full range of services including police and fire protection; city court; the construction and maintenance of streets and infrastructure; recreational activities; cultural events; planning and zoning; water, wastewater and solid waste utilities; and general administrative services. The main source of income for the City of

Comprehensive Annual Financial Report (CAFR)
Transmittal Letter

Livingston is property tax revenue. State law limits the amount of taxes a municipality may levy making cities heavily dependent on new construction to increase their property tax base. Other major sources of revenue are charge for services for utilities provided to residents within the city, however, these funds are not available for the general operation of the government. The City, as a primary government, is supported or works closely with certain entities to provide these services to the citizens of the City of Livingston.

The State of Montana requires a biannual audit of the books of accounts, financial records, and transactions of all administrative departments of the City by independent certified accountants selected by the City Commission. It is the belief of the City Commission and Executive staff that an annual audit assures a higher level of financial management and fiscal responsibility. This policy, along with the legal requirements, has been complied with and the auditors' opinion of Amatics CPA Group has been included in this report.

Management of the City is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City 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 generally accepted accounting principles. The internal control structure 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.

The annual budget serves as the foundation for the City's financial planning and control. All departments of the City submit budget proposals to the Finance Department in February/March of each year. The Finance Department uses these requests as the starting point for the development of the next fiscal year's budget. The City Commission is required to hold public hearings on the proposed budget with the final budget approved and adopted by resolution by the later of the first Thursday after the first Tuesday in September or within 30 calendar days of receiving the certified taxable values from the Montana Department of Revenue. Although the legal level of budget appropriations is the fund level, a management plan is prepared by fund, department, division and line item. The City maintains budgetary controls whose objective is to ensure compliance with legal provisions embodied in the annual appropriations budget approved by the City Commission.

ECONOMIC CONDITION AND OUTLOOK

The City of Livingston has recorded steady growth over the last 7 years, however due to its proximity to Bozeman it is starting to see an acceleration in that growth. The high cost of living in the Gallatin Valley has resulted in more people moving to Livingston. In fiscal year 2019 the city issued 139 building permits, 40 of which were for residential units. In addition, the city has seen an increased interest from developers for residential construction.

As of July 2019, Montana's unemployment rate was 3.4% and Park County had a rate of 2.4%, compared to the national rate of 3.7%. Average salaries for the state were \$43,860, 15.6% lower than the national average of \$51,960, and only \$35,556 for Park County. In Livingston, specifically, this can be attributed to accommodation and food service as the primary industry where wages are generally low. This has created a need for more low income housing as a high demand for rental units has resulted in an increase in the cost of housing. Currently Homewood and HRDC are working to transform the old Livingston Memorial Hospital into 35-units of low income housing. In addition, developers in the area are looking towards more high density housing options including an HRDC development of small manufactured homes.

LONG-TERM FINANCIAL PLANNING AND MAJOR INITIATIVES

In August 2017, the City of Livingston began construction of a new wastewater treatment facility. The total cost of the project is estimated to be \$19.5 million and was substantially complete in August 2019. To fund the facility, the City used a combination of loans, impact fees, and grants provided by various funding agencies. For a City that has, in the past, only completed projects as funds were available, this was a new strategy. A significant amount of work was invested by the employees of the city as well as the various funding agencies to ensure this project could be completed and the city would be able to service the debt.

Comprehensive Annual Financial Report (CAFR)
Transmittal Letter

The City began improving the infrastructure in the downtown area in the spring of 2018 as part of a multiyear project. This is a project that has been years in the making and will include new streets, sidewalks, and other infrastructure. The City continued with the next two phases of this project beginning in the spring of 2019.

In the early fall of 2018 the City began creating its 5-year Strategic Plan. The final plan was approved and adopted by the City Commission in March 2019. Details of the Strategic Plan as well as the progress made can be found on the City's website (livingstonmontana.org).

Additional information related to City projects during the year can be found in the Management Discussion and Analysis section of this report beginning on page II-3.

AWARDS

The Government Finance Officers' Association (GFOA) awarded the Certificate of Achievement for Excellence in Financial Reporting to the City of Livingston for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2018. This was the eighth year the City has received this prestigious award. The Certificate of Achievement is the highest form of recognition in the area of governmental accounting and financial reporting, and its attainment represents a significant accomplishment by the City. Each CAFR is judged by an impartial panel to meet the high standards of the program including demonstrating a constructive "spirit of full disclosure" to clearly communicate its financial story and motivate potential users to read the CAFR.

ACKNOWLEDGEMENTS

The preparation of this Comprehensive Annual Financial Report on a timely basis was made possible by the dedicated service of the entire staff of the Finance Department. Each member of the department has our sincere appreciation for the contributions made in the preparation of this report.

In closing, without the leadership and support of the governing body of the City, preparation of this report would not have been possible.

Sincerely,



Michael Kardoes
City Manager



Paige Fetterhoff
Finance Director



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

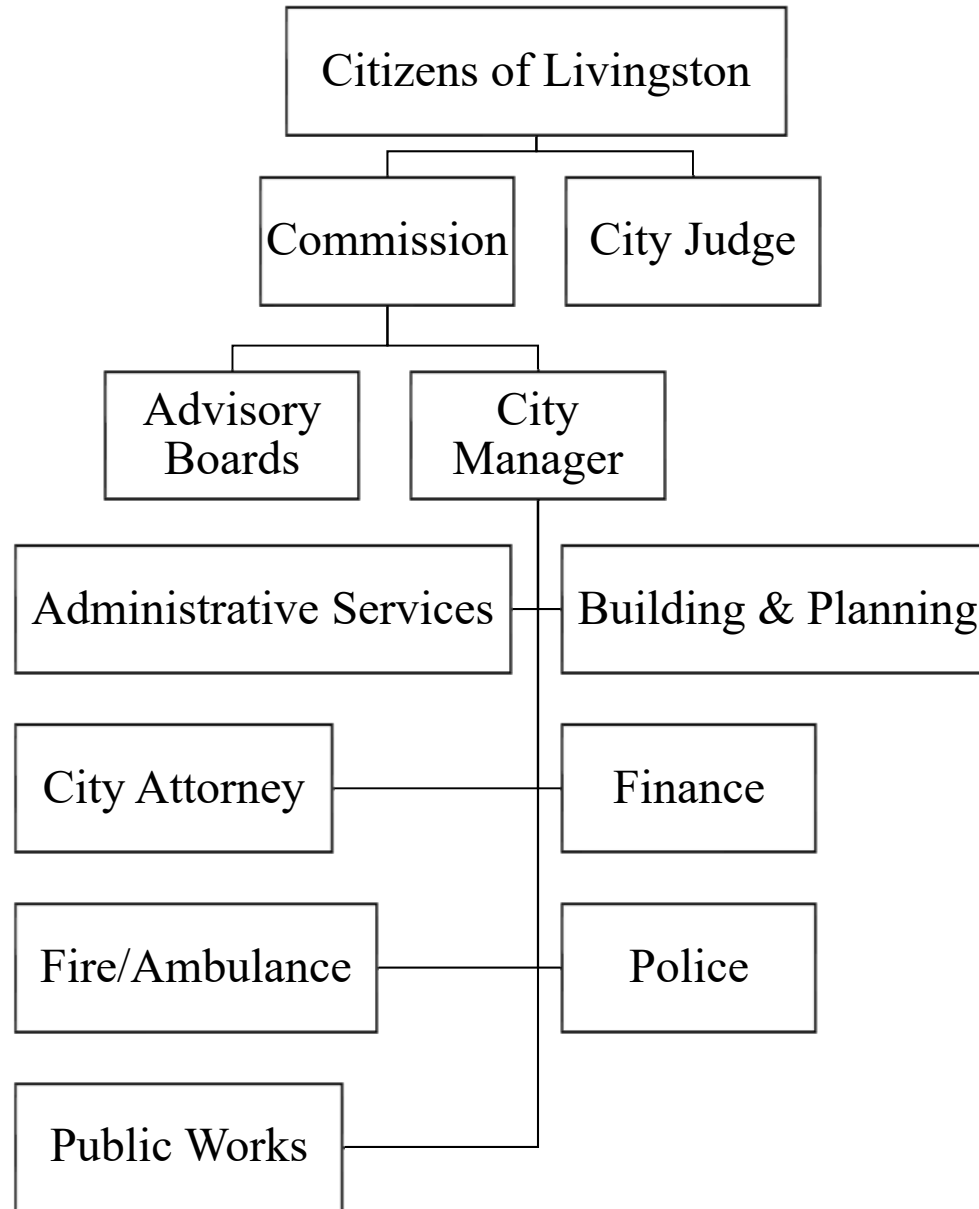
**City of Livingston
Montana**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2018

Christopher P. Morill

Executive Director/CEO



CITY OF LIVINGSTON, MONTANA
CITY ELECTED OFFICIALS AND OFFICERS

ELECTED OFFICIALS

Legislative

Dorel Hoglund
Quentin Schwarz
Mel Friedman
Warren Mabie
Melissa Nootz

Commission Chair
Commission Vice Chair
Commissioner
Commissioner
Commissioner

Judicial

Holly Happe

City Judge

OFFICERS

Executive

Michael Kardoes

City Manager

Department of Law

Jay Porteen

City Attorney

Department of Finance

Paige Fetterhoff

Finance Director

Department of Public Safety

Dale Johnson
Ken MacInnes

Police Chief
Fire Chief

Department of Public Works

Shannon Holmes

Public Works Director

Department of Public Welfare

Jim Woodhull

Planning and Building Director

Department of Administrative Services

Lisa Lowy

Administrative Services Director

PART II

FINANCIAL SECTION



INDEPENDENT AUDITORS' REPORT

City Commissioners and City Manager
City of Livingston, Montana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Livingston, Montana (the City), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Livingston, Montana, as of June 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.



Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedules of changes in total other-post employment benefits liability and related ratios, schedules of proportionate share of the City's net pension liability and schedules of the City's contributions for PERS, MPORS, and FURS pension plans, and budgetary comparison information for the general fund and major special revenue funds, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Livingston, Montana's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, budget and actual schedules – nonmajor funds, and statistical section, listed in the table of contents as supplemental information, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 15, 2019, on our consideration of the City of Livingston, Montana's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 City's internal control over financial reporting and compliance.

Amatics CPA Group
Bozeman, Montana
November 15, 2019

A. MANAGEMENT'S DISCUSSION AND ANALYSIS

CITY OF LIVINGSTON, MONTANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2019

As management of the City of Livingston (the City), Montana, we offer the readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2019.

Financial Highlights

The City's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at June 30 by \$35,919,890 (net position). Of this amount, \$1,991,637 is unrestricted net position, an increase of \$1,158,172.

- Total net position increased by \$2,393,600 from the prior fiscal year. This is a result of an increase of \$1,119,776 in the City's net investment in capital assets, \$115,652 in restricted net position, and \$1,158,172 in unrestricted net position from fiscal year 2018.
- As of June 30, the City's governmental funds reported combined ending fund balances of \$4,800,498, an increase of \$1,145,188 from the prior year. Of this amount, \$3,841,191 is available for spending at the government's discretion (committed, assigned, or unassigned fund balances).

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements consist of the following three components:

1. Government-Wide Financial Statements;
2. Fund Financial Statements;
3. Notes to Financial Statements.

Required supplementary information is also included.

Government-Wide Financial Statements. The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to private-sector businesses.

The Statement of Net Position and the Statement of Activities report information about the City as a whole and about its activities in a way that helps answer the question, "Is the City's financial position getting better or worse?"

The Statement of Net Position includes all assets and deferred outflows of resources, and liabilities and deferred inflows of resources, with the difference between them reported as net position. The Statement of Activities presents revenue and expense information showing how the net position changed during the year. Over time, increases or decreases to the City's net position serve as a useful indicator of whether the City's financial position is improving or deteriorating.

All changes to net position are reported using the accrual basis of accounting, which is the method of accounting used by most private-sector businesses. Under the accrual basis of accounting, all of the reported year's revenues and expenses are taken into account regardless of when the related cash is received or paid. Thus, revenues and expenditures are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

CITY OF LIVINGSTON, MONTANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2019

The Statement of Net Position and the Statement of Activities distinguish between the following activities:

- **Governmental Activities** - much of the City's basic services are reported here, including general administration, public safety, public works, culture and recreation and community development. Property taxes, state entitlement distributions, property assessments and state and federal grants finance most of the costs of these activities.
- **Business-type Activities** - the City charges a fee to customers to recover the cost of certain services provided. The City's water, wastewater, solid waste, and ambulance are reported here.

The government-wide statements can be found beginning on page II-10 of this report.

Fund Financial Statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, 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 City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. These funds focus on how money flows into and out of the funds and the balances left at year-end that are available for use. These funds use the modified accrual method of 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 City's general government operations and the basic services it provides. Such information may be useful in evaluating a government's near-term financing requirements. Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions.

The City adopts an annual appropriated budget for all funds. Governmental Accounting Standards Board (GASB) Statement 34 requires budgetary information be shown for the General fund and each major special revenue fund. The basic governmental fund financial statements can be found beginning on page II-12 of this report.

Proprietary Funds. The City maintains one type of proprietary funds (enterprise). Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its Water, Wastewater, Solid Waste, and Ambulance operations.

Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities, but provide more detail and additional information, such as cash flows. The basic proprietary fund financial statements can be found beginning on page II-17 of this report.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The City has one fiduciary fund categorized as an agency fund (perpetual cemetery fund).

Notes to the 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 financial statements can be found beginning on page II-23 of this report.

Other Information. All required supplementary information is included beginning on page II-74.

CITY OF LIVINGSTON, MONTANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2019

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$35,919,890 at June 30, 2019.

The largest portion of the City's net position (\$32,070,240 or 89%) reflects its investment in capital assets (e.g., land, buildings, machinery and equipment), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in 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. A summary of the statement of net position is shown in the following table.

City of Livingston
Net Position

	Governmental Activities		Business-type Activities		Total	
	2018	2019	2018	2019	2018	2019
Current and other assets	\$ 5,129,625	\$ 5,871,018	\$ 6,885,003	\$ 4,712,258	\$ 12,014,628	\$ 10,583,276
Capital assets	14,283,835	16,126,150	30,068,131	35,123,294	44,351,966	51,249,444
Total assets	<u>19,413,460</u>	<u>21,997,168</u>	<u>36,953,134</u>	<u>39,835,552</u>	<u>56,366,594</u>	<u>61,832,720</u>
Deferred outflows of resources	<u>846,997</u>	<u>798,910</u>	<u>431,604</u>	<u>433,178</u>	<u>1,278,601</u>	<u>1,232,088</u>
Long-term liabilities outstanding	6,115,567	7,443,480	13,613,062	16,993,893	19,728,629	24,437,373
Other liabilities	1,210,758	919,840	2,668,904	680,207	3,879,662	1,600,047
Total liabilities	<u>7,326,325</u>	<u>8,363,320</u>	<u>16,281,966</u>	<u>17,674,100</u>	<u>23,608,291</u>	<u>26,037,420</u>
Deferred inflows of resources	<u>301,106</u>	<u>698,046</u>	<u>209,508</u>	<u>409,452</u>	<u>510,614</u>	<u>1,107,498</u>
Net position:						
Net investment in capital assets	12,465,450	12,400,281	18,485,014	19,669,959	30,950,464	32,070,240
Restricted	1,220,265	942,249	522,096	915,764	1,742,361	1,858,013
Unrestricted	(1,052,689)	392,182	1,886,154	1,599,455	833,465	1,991,637
Total net position	<u>\$ 12,633,026</u>	<u>\$ 13,734,712</u>	<u>\$ 20,893,264</u>	<u>\$ 22,185,178</u>	<u>\$ 33,526,290</u>	<u>\$ 35,919,890</u>

An additional portion of the City's net position (\$1,858,013 or 5%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (\$1,991,637 or 6%) may be used to meet the City's ongoing obligations to citizens and creditors.

At June 30, 2019, the City reported overall positive net position, both for the City as a whole, as well as for its separate governmental and business-type activities.

Overall, the City's net position increased during the current fiscal year by \$2,393,600.

CITY OF LIVINGSTON, MONTANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2019

City of Livingston
Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2018	2019	2018	2019	2018	2019
Program Revenues						
Charges for Services	\$ 2,126,919	\$ 2,452,436	\$ 7,335,371	\$ 7,619,540	\$ 9,462,290	\$ 10,071,976
Operating Grants and Contributions	1,132,352	1,300,519	116,601	160,661	1,248,953	1,461,180
Capital Grants and Contributions	149,873	220,266	2,040,135	40,086	2,190,008	260,352
General Revenues						
Property Taxes	3,198,931	3,398,872	23,352	24,718	3,222,283	3,423,590
Grants and Contributions	1,118,777	1,138,871	-	-	1,118,777	1,138,871
Other General Revenues	457,649	139,796	18,930	23,486	476,579	163,282
Total Revenues	8,184,501	8,650,760	9,534,389	7,868,491	17,718,890	16,519,251
Program Expenses						
General Government	1,440,282	1,303,482	-	-	1,440,282	1,303,482
Public Safety	3,562,091	3,543,326	-	-	3,562,091	3,543,326
Public Works	1,580,013	1,876,825	-	-	1,580,013	1,876,825
Public Health	118,479	125,179	-	-	118,479	125,179
Culture and Recreation	1,054,015	1,206,387	-	-	1,054,015	1,206,387
Interest and Fiscal Fees	61,644	128,869	-	-	61,644	128,869
Water			1,187,183	1,055,021	1,187,183	1,055,021
Sewer			1,381,741	1,781,063	1,381,741	1,781,063
Solid Waste			1,689,300	1,650,419	1,689,300	1,650,419
Ambulance			1,138,985	1,455,080	1,138,985	1,455,080
Total Expenses	7,816,524	8,184,068	5,397,209	5,941,583	13,213,733	14,125,651
Excess before special items and transfers	367,977	466,692	4,137,180	1,926,908	4,505,157	2,393,600
Transfers	636,750	634,994	(636,750)	(634,994)	-	-
Increase in net position	1,004,727	1,101,686	3,500,430	1,291,914	4,505,157	2,393,600
Net position-beginning	11,812,618	12,633,026	17,886,776	20,893,264	29,699,394	33,526,290
Prior period adjustment	(184,319)	-	(493,942)	-	(678,261)	-
Net position-ending	\$ 12,633,026	\$ 13,734,712	\$ 20,893,264	\$ 22,185,178	\$ 33,526,290	\$ 35,919,890

CITY OF LIVINGSTON, MONTANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2019

Governmental Activities. Governmental activities in fiscal year 2019 increased the City's net position by \$1,101,686. The key element of this increase is due to an increase in Charges for Services and Operating Grants and Contributions. Charges for Services includes impact fees collected for new construction and certain collections from Park County for services provided to them by the City. The remaining portion of the increase represents a normal variation in revenues and expenditures.

Business-Type Activities. Business-type activities increased the City's net position by \$1,291,914. This increase is a normal variation in revenues and expenses within the City's enterprise funds.

Financial Analysis of the City's Funds

Governmental Funds. As of June 30, the City's governmental funds reported combined fund balances of \$4,800,498, an increase of \$1,145,188 in comparison with the prior year. Of this amount, \$700,346 or 15% is restricted to indicate that it is not available for new spending, \$3,841,191 is available for spending at the government's discretion.

The General fund is the primary operating fund of the City. At June 30, 2019, total fund balance was \$1,414,778, of which \$1,397,720 was unassigned and \$17,058 was non-spendable. This fund balance represents 27.7% of the general fund operating expenditures and transfers out. The fund balance increased \$670,798 during the current fiscal year as a result of additional tax collections and transfers in from other funds. Several funds were eliminated during the fiscal year and combined into the General Fund. The funds that were eliminated were used to account for employee benefits that were not required to be reported in separate funds. The revenues and related expenditures for employee benefits are now accounted for in the same funds employee wages are paid from.

The Tax Increment District – Downtown had an ending fund balance of \$1,101,563, an increase of \$810,327 from the prior year. This increase in fund balance is from bond proceeds received during the fiscal year that have not yet been expended. The remaining bond proceeds will be expended early in the following fiscal year.

The Street Maintenance District fund had an ending fund balance of \$145,128, a decrease of \$50,428 from the prior year. The change was due to capital projects budgeted in previous years and completed in FY 2018 and 2019.

Proprietary Funds. The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

General Fund Budgetary Highlights

Actual expenditures in the General fund were \$5,205,388, while appropriations were \$5,400,393, resulting an unexpended balance of \$195,005.

Initial General Fund Budgetary appropriations were \$4,277,572 compared to final appropriations of \$5,400,393. The increase in appropriations was largely due to the change in accounting for employee benefits discussed above, of which the total amount was \$1,122,821. The increase in appropriates was offset by an equal increase in revenue.

Capital Asset and Debt Administration

Capital Assets. The City of Livingston's investment in capital assets (net of accumulated depreciation) for its governmental and business-type activities as of June 30 was \$51,249,444. This investment in capital assets includes land, buildings, improvements other than buildings, machinery and equipment, construction in progress and infrastructure. More detailed information on capital assets can be found beginning on page II-32 of this report.

CITY OF LIVINGSTON, MONTANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2019

Capital asset additions during the current fiscal year include the following:

Governmental

- NorthWestern Energy Building - \$140,000
- LED Bulbs - \$22,610
- Civic Center Kitchen Remodel - \$5,950
- Sacajawea Park Building - \$6,950
- Downtown Capital Improvements - \$2,026,959
- North Hill Microwave - \$6,813
- O Street Trail Connector - \$50,454
- Bozeman Trail Connector - \$18,752
- Tasers - \$5,370
- 2019 Dodge Durango - \$51,069
- 2011 Chevrolet 1/2 Ton - \$14,063
- Street Sweeper - \$219,300

Proprietary

- 2011 Chevrolet 1/2 Ton - \$10,045
- Waste Water Reclamation Facility \$5,451,546
- Sewer Main Upgrades - \$13,777
- Bypass Pump - \$30,000
- Downtown Capital Improvements - \$273,124
- Vehicle Barn - \$63,975
- 2012 Freightliner Roll Off - \$95,236
- Roll Off Bins - \$8,050
- Transfer Station Scales - \$49,900
- Public Works Backup Generator - \$9,950
- Park Street Water - \$5,995

Below is summary information related to the government's capital assets:

	Governmental Activities	Business-type Activities	Total
Non-depreciable assets:			
Land	\$ 375,226	\$ 52,980	\$ 428,206
Construction in progress	1,758,920	17,985,070	\$ 19,743,990
	<u>2,134,146</u>	<u>18,038,050</u>	<u>20,172,196</u>
Depreciable assets:			
Buildings	2,352,202	16,070,761	18,422,963
Improvements other than buildings	1,802,163	-	1,802,163
Machinery and equipment	1,998,915	1,014,483	3,013,398
Infrastructure	7,838,724	-	7,838,724
	<u>13,992,004</u>	<u>17,085,244</u>	<u>31,077,248</u>
Total capital assets	<u>\$ 16,126,150</u>	<u>\$ 35,123,294</u>	<u>\$ 51,249,444</u>

CITY OF LIVINGSTON, MONTANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2019

Long-Term Debt. As of June 30, the City had total debt outstanding of \$19,179,204. Of this amount \$716,953 comprises debt backed by the full faith and credit of the government; \$2,497,080 is special assessment and tax increment debt for which the government is partially liable in the event of default by the property owners subject to the assessment; \$15,438,040 is bonds secured solely by specified revenue sources of the water and wastewater funds net of amortization of issuance costs and premiums or discounts amortized over the life of the bonds; and the remaining \$527,131 is loans and leases payable. Additional information on long-term debt can be found in the notes of the basic financial statements. More detailed information on Long-Term Debt can be found beginning on page II-36 of this report.

City of Livingston
Outstanding Debt as of June 30, 2019

	Governmental Activities	Business-type Activities	Total
General obligation bonds	\$ 716,953	\$ -	\$ 716,953
Notes payable	511,836	15,295	527,131
Special assessment debt with government commitment	176,000	-	176,000
Tax increment	2,321,080	-	2,321,080
Revenue bonds	-	15,438,040	15,438,040
Total	<u>\$ 3,725,869</u>	<u>\$ 15,453,335</u>	<u>\$ 19,179,204</u>

Economic Factors and Next Year's Budgets and Rates

The City changed various rates for fiscal year 2019 as follows:

- The City Commission approved rate increases in several funds to maintain or increase reserves to finance their respective Comprehensive Capital Improvement Program. The approximate increase for each service is:

	Average Rate Increase
Governmental:	
Street Maintenance District	5%
Light Maintenance District	10%
Proprietary:	
Water	2%
Wastewater	3%
Solid Waste	0%

Requests for Information

This financial report is designed to provide a general overview of the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City of Livingston, Finance Department, 110 South B Street, Livingston, MT 59047.

B. BASIC FINANCIAL STATEMENTS

GOVERNMENT - WIDE FINANCIAL STATEMENTS

CITY OF LIVINGSTON, MONTANA
STATEMENT OF NET POSITION
June 30, 2019

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and investments	\$ 3,424,335	\$ 2,940,056	\$ 6,364,391
Restricted cash and investments	294,470	778,829	1,073,299
Receivables, net	1,970,919	1,060,610	3,031,529
Internal balances	67,237	(67,237)	-
Notes receivable	114,057	-	114,057
Capital assets			
Nondepreciable land	375,226	52,980	428,206
Construction in progress	1,758,920	17,985,070	19,743,990
Other capital assets, net of depreciation	13,992,004	17,085,244	31,077,248
Total capital assets	<u>16,126,150</u>	<u>35,123,294</u>	<u>51,249,444</u>
Total assets	<u>21,997,168</u>	<u>39,835,552</u>	<u>61,832,720</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows - pensions	<u>798,910</u>	<u>433,178</u>	<u>1,232,088</u>
LIABILITIES			
Accounts payable and accrued expenses	464,052	116,789	580,841
Compensated absences payable	90,000	40,000	130,000
Current portion long-term debt	365,788	523,418	889,206
Long-term liabilities			
Compensated absences	349,850	177,750	527,600
Legal settlement payable	-	-	-
Other post-employment health benefits	649,458	335,326	984,784
Net pension liability	3,084,091	1,550,900	4,634,991
Long-term debt due in more than one year	3,360,081	14,929,917	18,289,998
Total liabilities	<u>8,363,320</u>	<u>17,674,100</u>	<u>26,037,420</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows - pensions	507,767	311,208	818,975
Deferred inflows - other post-employment health benefits	190,279	98,244	288,523
Total deferred inflows of resources	<u>698,046</u>	<u>409,452</u>	<u>1,107,498</u>
NET POSITION			
Net investment in capital assets	12,400,281	19,669,959	32,070,240
Restricted - expendable	-	-	-
Restricted - nonexpendable	241,903	-	241,903
Restricted for public safety	49,857	-	49,857
Restricted for public works	247,207	-	247,207
Restricted for culture and recreation	23,572	-	23,572
Restricted for debt service	379,710	915,764	1,295,474
Unrestricted	392,182	1,599,455	1,991,637
Total net position	<u>\$ 13,734,712</u>	<u>\$ 22,185,178</u>	<u>\$ 35,919,890</u>

The accompanying notes are an integral part of the financial statements.

CITY OF LIVINGSTON, MONTANA
STATEMENT OF ACTIVITIES
Year Ended June 30, 2019

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-type Activities	Total
Primary Government:							
Governmental activities:							
General government	\$ 1,303,482	\$ 332,778	\$ 938	\$ -	\$ (969,766)	\$ -	\$ (969,766)
Public safety	3,543,326	471,663	578,827	-	(2,492,836)	-	(2,492,836)
Public works	1,876,825	1,526,528	266,118	214,350	130,171	-	130,171
Public health	125,179	-	-	-	(125,179)	-	(125,179)
Culture and recreation	1,206,387	121,467	454,636	5,916	(624,368)	-	(624,368)
Interest, fiscal fees, and debt costs	128,869	-	-	-	(128,869)	-	(128,869)
Total governmental activities	<u>8,184,068</u>	<u>2,452,436</u>	<u>1,300,519</u>	<u>220,266</u>	<u>(4,210,847)</u>		<u>(4,210,847)</u>
Business-type activities:							
Water	1,055,021	1,554,490	-	7,971	-	507,440	507,440
Sewer	1,781,063	2,438,317	-	22,646	-	679,900	679,900
Solid Waste	1,650,419	2,247,609	-	9,469	-	606,659	606,659
Ambulance	1,455,080	1,379,124	160,661	-	-	84,705	84,705
Total business-type activities	<u>5,941,583</u>	<u>7,619,540</u>	<u>160,661</u>	<u>40,086</u>	<u>-</u>	<u>1,878,704</u>	<u>1,878,704</u>
Total primary government	<u>\$ 14,125,651</u>	<u>\$ 10,071,976</u>	<u>\$ 1,461,180</u>	<u>\$ 260,352</u>	<u>(4,210,847)</u>	<u>1,878,704</u>	<u>(2,332,143)</u>
General revenues:							
Property taxes, levied for general purposes					3,281,542	24,718	3,306,260
Property taxes, levied for debt service					117,330	-	117,330
Grants and contributions not restricted to specific programs					1,138,871	-	1,138,871
Unrestricted investment earnings					28,447	23,486	51,933
Miscellaneous					111,349	-	111,349
Total general revenues					<u>4,677,539</u>	<u>48,204</u>	<u>4,725,743</u>
Transfers					634,994	(634,994)	-
					<u>5,312,533</u>	<u>(586,790)</u>	<u>4,725,743</u>
Change in net position					1,101,686	1,291,914	2,393,600
Net position-beginning					12,633,026	20,893,264	33,526,290
Net position-ending					<u>\$ 13,734,712</u>	<u>\$ 22,185,178</u>	<u>\$ 35,919,890</u>

The accompanying notes are an integral part of the financial statements.

FUND FINANCIAL STATEMENTS

GOVERNMENTAL FUND FINANCIAL STATEMENTS

MAJOR GOVERNMENTAL FUNDS

General Fund: The General Fund is the primary operating unit of the City. It accounts for all financial resources of the City, except those required to be accounted for in another fund.

Tax Increment District – Downtown Fund: The Downtown Tax Increment District was created after the adoption of the Livingston Urban Renewal Agency Plan by the City Commission. The primary purpose of this District is to rehabilitate and develop identified blighted areas within the City of Livingston's Downtown area.

Street Maintenance Fund: Accounts for the resources accumulated and payments made for maintenance and repairs of city-owned streets.

CITY OF LIVINGSTON, MONTANA
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2019

	<u>General</u>	<u>Tax Increment District Downtown</u>	<u>Street Maintenance</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and cash equivalents	\$ 1,070,525	\$ 1,149,488	\$ 34,269	\$ 1,170,053	\$ 3,424,335
Receivables:					
Property taxes	39,454	4,164	-	10,716	54,334
Customers, net	73,302	-	1,541	-	74,843
Other	40,000	-	-	622,018	662,018
Special assessments	-	7,088	11,576	353,144	371,808
Other governments	275,469	36,037	113,763	382,647	807,916
Due from other City funds	95,360	80,120	-	25,821	201,301
Notes receivable	-	-	-	114,057	114,057
Restricted cash and cash equivalents	33,628	162,175	-	98,667	294,470
Due from other City funds	17,058	-	-	17,058	34,116
Total assets	<u><u>\$ 1,644,796</u></u>	<u><u>\$ 1,439,072</u></u>	<u><u>\$ 161,149</u></u>	<u><u>\$ 2,794,181</u></u>	<u><u>\$ 6,039,198</u></u>

The accompanying notes are an integral part of the financial statements.

CITY OF LIVINGSTON, MONTANA
BALANCE SHEET (CONTINUED)
GOVERNMENTAL FUNDS
June 30, 2019

	<u>General</u>	<u>Tax Increment District Downtown</u>	<u>Street Maintenance</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
LIABILITIES, DEFERRED INFLOWS					
OF RESOURCES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 85,675	\$ 326,257	\$ 4,445	\$ 9,055	\$ 425,432
Court bonds payable	38,620	-	-	-	38,620
Advances	-	-	-	114,057	114,057
Due to other City funds	-	-	-	168,180	168,180
Total liabilities	<u>124,295</u>	<u>326,257</u>	<u>4,445</u>	<u>291,292</u>	<u>746,289</u>
Deferred inflows of resources:					
Deferred inflows - tax revenues	39,457	4,164	-	10,716	54,337
Deferred inflows - special assessments	-	7,088	11,576	353,144	371,808
Deferred inflows - court fines	66,266	-	-	-	66,266
Total deferred inflows of resources	<u>105,723</u>	<u>11,252</u>	<u>11,576</u>	<u>363,860</u>	<u>492,411</u>
Fund balances:					
Nonspendable	17,058	-	-	241,903	258,961
Restricted	-	-	-	700,346	700,346
Committed	-	1,101,563	145,128	1,270,398	2,517,089
Unassigned	1,397,720	-	-	(73,618)	1,324,102
Total fund balances	<u>1,414,778</u>	<u>1,101,563</u>	<u>145,128</u>	<u>2,139,029</u>	<u>4,800,498</u>
Total liabilities, deferred inflows of resources and fund balances	<u><u>\$ 1,644,796</u></u>	<u><u>\$ 1,439,072</u></u>	<u><u>\$ 161,149</u></u>	<u><u>\$ 2,794,181</u></u>	<u><u>\$ 6,039,198</u></u>

The accompanying notes are an integral part of the financial statements.

CITY OF LIVINGSTON, MONTANA
RECONCILIATION OF THE BALANCE SHEET
TO THE STATEMENT OF NET POSITION - GOVERNMENTAL FUNDS
June 30, 2019

Fund balances - total governmental funds		\$ 4,800,498
Amounts reported for <i>governmental activities</i> in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Governmental capital assets	\$ 22,369,050	
Less: accumulated depreciation	<u>(6,242,900)</u>	
		16,126,150
Advances and deferred inflows in the governmental funds are reported on the full accrual basis in the entity-wide statements.		606,468
Deferred outflows related to pensions are not receivable in the current period and therefore are not reported in the governmental funds.		798,910
Deferred inflows related to pensions and other post-employment health benefits are not payable in the current period and therefore are not reported in the governmental funds.		(698,046)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Bonds payable	(3,662,836)	
Unamortized bond issuance premiums	(63,033)	
Net pension liability	(3,084,091)	
Other post-employment health benefits	(649,458)	
Compensated absences	<u>(439,850)</u>	
		<u>(7,899,268)</u>
Net position of governmental activities		<u><u>\$ 13,734,712</u></u>

The accompanying notes are an integral part of the financial statements.

CITY OF LIVINGSTON, MONTANA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
Year Ended June 30, 2019

	General	Tax Increment District Downtown	Street Maintenance	Other Governmental Funds	Total Governmental Funds
REVENUES					
Taxes	\$ 2,332,215	\$ 194,313	\$ -	\$ 880,672	\$ 3,407,200
Special assessments	-	-	1,015,654	383,773	1,399,427
Licenses and permits	323,768	-	13,231	-	336,999
Intergovernmental	1,744,746	40,967	289	733,654	2,519,656
Charges for services	137,195	-	-	391,469	528,664
Fines and forfeitures	131,036	-	-	647	131,683
Interest on investments	4,859	5,496	(463)	18,555	28,447
Loan repayment	-	-	-	26,029	26,029
Other	104,992	-	3,886	2,471	111,349
Total revenues	<u>4,778,811</u>	<u>240,776</u>	<u>1,032,597</u>	<u>2,437,270</u>	<u>8,489,454</u>
EXPENDITURES					
Current					
General government	1,173,985	28,933	-	61,511	1,264,429
Public safety	2,548,010	-	-	815,093	3,363,103
Public works	416,135	-	552,927	625,365	1,594,427
Public health	114,807	-	-	2,026	116,833
Culture and recreation	480,864	-	-	509,929	990,793
Capital outlay	98,135	1,250,018	606,258	473,879	2,428,290
Debt service					
Principal payments	7,828	126,036	40,229	183,772	357,865
Interest and fiscal fees	2,198	33,117	6,830	48,299	90,444
Issuance costs	-	38,425	-	-	38,425
Total expenditures	<u>4,841,962</u>	<u>1,476,529</u>	<u>1,206,244</u>	<u>2,719,874</u>	<u>10,244,609</u>
Excess (deficiency) of revenues over expenditures	<u>(63,151)</u>	<u>(1,235,753)</u>	<u>(173,647)</u>	<u>(282,604)</u>	<u>(1,755,155)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	1,097,375	-	27,600	610,186	1,735,161
Transfers out	(363,426)	-	(123,650)	(613,091)	(1,100,167)
Premium on issuance of debt	-	31,080	-	-	31,080
Issuance of debt	-	2,015,000	219,269	-	2,234,269
Total other financing sources (uses)	<u>733,949</u>	<u>2,046,080</u>	<u>123,219</u>	<u>(2,905)</u>	<u>2,900,343</u>
Net change in fund balances	670,798	810,327	(50,428)	(285,509)	1,145,188
FUND BALANCE - beginning of year	<u>743,980</u>	<u>291,236</u>	<u>195,556</u>	<u>2,424,538</u>	<u>3,655,310</u>
FUND BALANCE - end of year	<u>\$ 1,414,778</u>	<u>\$ 1,101,563</u>	<u>\$ 145,128</u>	<u>\$ 2,139,029</u>	<u>\$ 4,800,498</u>

The accompanying notes are an integral part of the financial statements.

CITY OF LIVINGSTON, MONTANA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF ACTIVITIES - GOVERNMENTAL FUNDS
Year Ended June 30, 2019

Net change in fund balances - total governmental funds	\$	1,145,188
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Amounts reported for *governmental activities* in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. In the statement of activities, however, the cost of these assets is depreciated over the assets' useful lives.

Expenditures for capital assets	\$	2,428,290	
Donated assets		140,000	
Less: current year depreciation		<u>(725,975)</u>	
			1,842,315

Repayment of principal is an expenditure in the governmental funds, but this repayment reduces long-term liabilities in the statement of net position.

Bond and loan proceeds	(2,234,269)		
Bond issuance premiums	(31,080)		
Principal payments	<u>357,865</u>		
			(1,907,484)

Governmental funds do not report a liability for other post-employment health benefits and net pension liabilities.	(45,477)
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Some revenues and expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as revenues and expenses in the governmental funds.	47,335
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Some expenditures reported in governmental funds are to be collected on a long-term basis and therefore are not reported as expenses in the statement of activities.

Accrued compensated absences	46,063		
CDBG loan		<u>(26,254)</u>	
			<u>19,809</u>

Change in net position of governmental activities	\$	<u><u>1,101,686</u></u>
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The accompanying notes are an integral part of the financial statements.

PROPRIETARY FUND FINANCIAL STATEMENTS

PROPRIETARY FUNDS

These funds are used to account for the financing, acquisition, operation and maintenance of water, sewer, and solid waste facilities, which are supported by user charges.

Major Enterprise Funds –

Water Fund: Accounts for the activities of the City's water services.

Sewer Fund: Accounts for the activities of the City's wastewater services.

Solid Waste Fund: Accounts for the activities of the City's sanitation services.

Ambulance Fund: Accounts for the activities of the City's ambulance services.

CITY OF LIVINGSTON, MONTANA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2019

	Business-type Activities Enterprise Funds				
	Water	Sewer	Solid Waste	Ambulance	Total
ASSETS					
Current assets					
Cash and cash equivalents	\$ 1,380,312	\$ 1,396,372	\$ 82	\$ 163,290	\$ 2,940,056
Receivables:					
Taxes	-	-	-	586	586
Customers receivables, net	142,117	277,088	303,607	235,329	958,141
Other	545	325	600	-	1,470
Special assessments	267	116	365	-	748
Other governments	-	-	212	99,453	99,665
Due from other City funds	-	191,061	-	-	191,061
Total current assets	1,523,241	1,864,962	304,866	498,658	4,191,727
Noncurrent assets					
Due from other City funds	-	17,058	-	-	17,058
Restricted cash and investments	68,794	710,035	-	-	778,829
Total other assets	68,794	727,093	-	-	795,887
Property, plant and equipment					
Nondepreciable:					
Land	52,980	-	-	-	52,980
Construction work in process	28,858	17,892,237	63,975	-	17,985,070
Depreciable:					
Buildings	645,920	4,307,845	958,814	165,261	6,077,840
Machinery and equipment	773,872	1,100,377	1,588,501	751,187	4,213,937
Source of supply	1,228,040	-	-	-	1,228,040
Transmission and distribution	9,379,164	8,365,148	-	-	17,744,312
General plant	48,164	4,711,642	-	-	4,759,806
Accumulated depreciation and amortization	(5,299,969)	(9,672,515)	(1,223,507)	(742,700)	(16,938,691)
Net property, plant and equipment	6,857,029	26,704,734	1,387,783	173,748	35,123,294
Total assets	8,449,064	29,296,789	1,692,649	672,406	40,110,908
DEFERRED OUTFLOWS OF RESOURCES					
Deferred outflows related to pensions	86,638	110,274	102,912	133,354	433,178

The accompanying notes are an integral part of the financial statements.

CITY OF LIVINGSTON, MONTANA
STATEMENT OF NET POSITION (CONTINUED)
PROPRIETARY FUNDS
June 30, 2019

	Business-type Activities Enterprise Funds				
	Water	Sewer	Solid Waste	Ambulance	Total
LIABILITIES					
Current liabilities					
Accounts payable	\$ 51,301	\$ 42,108	\$ 12,392	\$ 10,988	\$ 116,789
Due to other City funds	-	-	224,183	-	224,183
Compensated absences	9,000	13,000	8,000	10,000	40,000
Bonds, notes, and loans payable	85,295	438,123	-	-	523,418
Total current liabilities	145,596	493,231	244,575	20,988	904,390
Noncurrent liabilities					
Compensated absences	35,659	54,318	47,433	40,340	177,750
Capital lease obligations	-	-	-	-	-
Legal settlement payable	-	-	-	-	-
Other post-employment health benefits	71,848	88,398	88,101	86,979	335,326
Net pension liability	356,241	453,427	423,156	318,076	1,550,900
Due to other City funds	-	-	51,173	-	51,173
Bonds, notes, and loans payable	-	14,929,917	-	-	14,929,917
Total noncurrent liabilities	463,748	15,526,060	609,863	445,395	17,045,066
Total liabilities	609,344	16,019,291	854,438	466,383	17,949,456
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows - pensions	85,603	108,956	101,682	14,967	311,208
Deferred inflows - other post-employment health benefits	21,050	25,899	25,812	25,483	98,244
	106,653	134,855	127,494	40,450	409,452
NET POSITION					
Net investment in capital assets	6,771,734	11,336,694	1,387,783	173,748	19,669,959
Restricted for debt service	68,794	846,970	-	-	915,764
Unrestricted	979,177	1,069,253	(574,154)	125,179	1,599,455
Total net position	\$ 7,819,705	\$ 13,252,917	\$ 813,629	\$ 298,927	\$ 22,185,178

The accompanying notes are an integral part of the financial statements.

CITY OF LIVINGSTON, MONTANA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
Year Ended June 30, 2019

	Business-type Activities Enterprise Funds				
	Water	Sewer	Solid Waste	Ambulance	Totals
OPERATING REVENUES					
Charges for services	\$ 1,553,791	\$ 2,437,850	\$ 2,246,431	\$ 1,379,124	\$ 7,617,196
Special assessments	699	467	1,178	-	2,344
Total operating revenues	1,554,490	2,438,317	2,247,609	1,379,124	7,619,540
OPERATING EXPENSES					
Personal services	398,042	494,715	518,566	1,242,398	2,653,721
Depreciation and amortization	293,834	520,581	120,902	29,603	964,920
Supplies, service, materials	359,643	500,613	1,006,479	183,079	2,049,814
Total operating expenses	1,051,519	1,515,909	1,645,947	1,455,080	5,668,455
Operating income	502,971	922,408	601,662	(75,956)	1,951,085
NON-OPERATING REVENUES (EXPENSES)					
Interest income	7,355	16,054	(719)	796	23,486
Interest expense	(3,502)	(265,154)	(4,472)	-	(273,128)
Intergovernmental revenue	7,971	22,646	9,469	160,661	200,747
Tax revenue	-	-	-	24,718	24,718
Total non-operating revenues (expenses)	11,824	(226,454)	4,278	186,175	(24,177)
Income before contributions and transfers	514,795	695,954	605,940	110,219	1,926,908
Transfers out	(141,822)	(180,390)	(199,478)	(113,304)	(634,994)
Change in net position	372,973	515,564	406,462	(3,085)	1,291,914
NET POSITION,					
beginning of year	7,446,732	12,737,353	407,167	302,012	20,893,264
NET POSITION,					
end of year	\$ 7,819,705	\$ 13,252,917	\$ 813,629	\$ 298,927	\$ 22,185,178

The accompanying notes are an integral part of the financial statements.

CITY OF LIVINGSTON, MONTANA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended June 30, 2019

	Business-type Activities				
	Enterprise Funds				
	Water	Sewer	Solid Waste	Ambulance	Total
Increase (Decrease) in Cash and Cash Equivalents					
Cash Flows from Operations:					
Receipts from customers	\$ 1,567,122	\$ 2,436,223	\$ 2,189,764	\$ 1,247,022	\$ 7,440,131
Receipts from (payments to) others	6,017	(325)	(148)	-	5,544
Operating loans from (to) other funds	-	49,578	(81,736)	-	(32,158)
Payments to suppliers	(469,925)	(826,650)	(1,112,858)	(99,689)	(2,509,122)
Payments to employees	(494,243)	(621,480)	(583,480)	(1,194,288)	(2,893,491)
Net Cash Provided by Operating Activities	<u>608,971</u>	<u>1,037,346</u>	<u>411,542</u>	<u>(46,955)</u>	<u>2,010,904</u>
Cash Flows from Noncapital Financing Activities:					
Cash receipts from property taxes	-	-	-	24,273	24,273
Receipts from grants	7,971	22,646	9,469	160,661	200,747
Transfers out	(141,822)	(180,390)	(199,478)	(113,304)	(634,994)
Net Cash Flows Provided (Used) by Noncapital Financing Activities	<u>(133,851)</u>	<u>(157,744)</u>	<u>(190,009)</u>	<u>71,630</u>	<u>(409,974)</u>
Cash Flows from Capital and Related Financing Activities					
Acquisition of property, plant and equipment	(145,292)	(5,647,587)	(217,161)	(10,044)	(6,020,084)
Principal paid on bonds, interfund loans, loans, and leases	(85,294)	(1,562,238)	-	-	(1,647,532)
Proceeds from issuance of bonds, loans, and leases	-	5,517,750	-	-	5,517,750
Interest paid on bonds, interfund loans, loans and leases	(3,502)	(265,154)	(4,472)	-	(273,128)
Net Cash Flows Used by Capital and Related Financing Activities	<u>(234,088)</u>	<u>(1,957,229)</u>	<u>(221,633)</u>	<u>(10,044)</u>	<u>(2,422,994)</u>
Cash Flows from Investing Activities					
Interest received on investments	7,355	16,054	(719)	796	23,486
Net Cash Flows Provided (Used) by Investing Activities	<u>7,355</u>	<u>16,054</u>	<u>(719)</u>	<u>796</u>	<u>23,486</u>
Net Increase (Decrease) in Cash and Cash Equivalents	248,387	(1,061,573)	(819)	15,427	(798,578)
Cash and Cash Equivalents at Beginning of Year	1,200,719	3,167,980	901	147,863	4,517,463
Cash and Cash Equivalents at End of Year	<u>\$ 1,449,106</u>	<u>\$ 2,106,407</u>	<u>\$ 82</u>	<u>\$ 163,290</u>	<u>\$ 3,718,885</u>
Classified As:					
Current Assets	\$ 1,380,312	\$ 1,396,372	\$ 82	\$ 163,290	\$ 2,940,056
Restricted Assets	68,794	710,035	-	-	778,829
Totals	<u>\$ 1,449,106</u>	<u>\$ 2,106,407</u>	<u>\$ 82</u>	<u>\$ 163,290</u>	<u>\$ 3,718,885</u>

The accompanying notes are an integral part of the financial statements.

CITY OF LIVINGSTON, MONTANA
STATEMENT OF CASH FLOWS (CONTINUED)
PROPRIETARY FUNDS
Year Ended June 30, 2019

	Business-type Activities Enterprise Funds				
	<u>Water</u>	<u>Sewer</u>	<u>Solid Waste</u>	<u>Ambulance</u>	<u>Total</u>
Operating income	<u>\$ 502,971</u>	<u>\$ 922,408</u>	<u>\$ 601,662</u>	<u>\$ (75,956)</u>	<u>\$ 1,951,085</u>
Adjustments to reconcile operating income to net cash provided by operating activities					
Depreciation and amortization	293,834	520,581	120,902	29,603	964,920
Change in assets, deferred outflows, liabilities and deferred inflows:					
(Increase) Decrease in:					
Accounts receivable	12,632	(2,094)	(57,846)	(46,575)	(93,883)
Other receivables	6,017	(325)	(148)	(1)	5,543
Deferred outflows of resources	23,936	17,028	12,467	(55,005)	(1,574)
Increase (Decrease) in:					
Accounts payable	(110,282)	(326,037)	(106,378)	(2,136)	(544,833)
Other post-employment benefits	(25,538)	(75,712)	(26,989)	10,811	(117,428)
Net pension liability	(142,320)	(120,559)	(97,068)	82,122	(277,825)
Deferred inflows of resources	59,931	63,173	74,107	2,733	199,944
Loans from other City funds	-	49,578	(81,736)	-	(32,158)
Accrued employee benefits payable	(12,210)	(10,695)	(27,431)	7,449	(42,887)
Total adjustments	<u>106,000</u>	<u>114,938</u>	<u>(190,120)</u>	<u>29,001</u>	<u>59,819</u>
Net cash provided by operating activities	<u><u>\$ 608,971</u></u>	<u><u>\$ 1,037,346</u></u>	<u><u>\$ 411,542</u></u>	<u><u>\$ (46,955)</u></u>	<u><u>\$ 2,010,904</u></u>

The accompanying notes are an integral part of the financial statements.

FIDUCIARY FUND FINANCIAL STATEMENTS

FIDUCIARY FUNDS

AGENCY FUNDS

Agency funds are used to account for assets held by the City as an agent for individuals, private organizations, other governments and/or other funds.

Payroll Agency Fund: Accounts for payment of payroll liabilities and health insurance premiums.

CITY OF LIVINGSTON, MONTANA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
June 30, 2019

	<u>Agency Fund</u>
ASSETS	
Cash and cash equivalents	\$ 260,550
Prepaid health insurance	<u>41,174</u>
Total assets	<u><u>\$ 301,724</u></u>
LIABILITIES	
Accounts payable	<u>\$ 301,724</u>
Total liabilities	<u><u>\$ 301,724</u></u>

The accompanying notes are an integral part of the financial statements.

NOTES TO FINANCIAL STATEMENTS

CITY OF LIVINGSTON, MONTANA
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Livingston, Montana (the City), is an independent political entity established under Montana Law. The City is governed by an appointed City Manager and elected City Commission. The City Commission, by law, has the authority to adopt budgets, appropriate funds, levy taxes, employ personnel and pass ordinances. The Park County Treasurer's office functions in a fiduciary capacity to the extent that it bills and collects taxes and receives certain intergovernmental revenue for the City; however, Park County does not function in an oversight capacity with regard to the City.

The accompanying financial statements of the City have been prepared in accordance with generally accepted accounting principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB), the accepted standard-setting body for establishing governmental accounting and financial reporting principles. In June 1999 the GASB issued Statement No. 34 *Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments*. This Statement establishes new financial reporting requirements for state and local governments throughout the United States. It requires new information and restructures much of the information that governments have presented in the past. Comparability with reports issued in prior years is affected.

For the year ended June 30, 2019, the City implemented GASB Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. This statement defines debt for purposes of disclosure in the notes to financial statements, clarifies which liabilities governments should include when disclosing information to debt, and requires additional essential information related to debt to be disclosed in the notes to the financial statements.

For the year ended June 30, 2019, the City implemented GASB Statement No. 83, *Certain Asset Retirement Obligations*; this statement had no impact on the City's financial statements.

The accompanying financial statements present the financial position of the City and the various funds and fund types, the results of operations of the City and the various funds and fund types, and the cash flows of the proprietary funds. The financial statements are presented as of June 30, 2019, and for the year then ended.

The more significant accounting policies of the City are described below.

Reporting Entity

For financial reporting purposes, the City has included all funds, organizations, agencies, boards, commissions and authorities. The City has also considered all potential component units for which it is financially accountable and other organizations for which the nature and significance of their relationship with the City are such that exclusion would cause the City's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body and (1) the ability of the City to impose its will on that organization or (2) the potential for the organization to provide specific benefits to, or impose specific financial burdens, on the City.

Basis of Accounting/Measurement Focus

The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

CITY OF LIVINGSTON, MONTANA
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-Wide Financial Statements

The Government-wide Financial Statements (the Statement of Net Position and the Statement of Activities) report information of all the nonfiduciary activities of the government. These statements present summaries of Governmental and Business-Type Activities for the City accompanied by a total column.

These statements are presented on an “*economic resources*” measurement focus and the accrual basis of accounting. Accordingly, all of the City’s assets and liabilities, including capital assets and long-term liabilities, are included in the accompanying Statement of Net Position. The City did not retroactively include infrastructure in its assets.

The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred. The types of transactions reported as program revenues for the City are reported in three categories: 1) charges for services, 2) operating grants and contributions, and 3) capital grants and contributions.

Certain eliminations have been made as prescribed by GASB 34 with regard to interfund activities, payables and receivables. All internal balances in the Statement of Net Position have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column. There are no internal service fund transactions to be eliminated.

Governmental Fund Financial Statements

Governmental Fund Financial Statements include a Balance Sheet and a Statement of Revenues, Expenditures, and Changes in Fund Balances for all major governmental funds and nonmajor funds aggregated. An accompanying schedule is presented to reconcile and explain the differences in fund balances and changes in fund balances as presented in these statements to the net position and changes in net position presented in the Government-Wide Financial Statements. The City has presented all major funds that met those qualifications.

All governmental funds are accounted for on a spending or “*current financial resources*” measurement focus and the modified accrual basis of accounting. Accordingly, only current assets, current deferred outflows of resources, current liabilities, and current deferred inflows of resources are included on the Balance Sheets. The Statement of Revenues, Expenditures, and Changes in Fund Balances present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available. When an asset is recorded in governmental fund financial statements, but the revenue is not available, the City reports a deferred inflow of resources until such time as the revenue becomes available. Revenues are recorded when received in cash, except that revenues subject to accrual (generally 60 days after year-end) are recognized when due. The primary revenue sources which have been treated as susceptible to accrual by the City are property tax, intergovernmental revenues, and other taxes. Expenditures are recorded in the accounting period in which the related fund liability is incurred.

CITY OF LIVINGSTON, MONTANA
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Proprietary Fund Financial Statements

Proprietary Fund Financial Statements include a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Fund Net Position, and a Statement of Cash Flows for each major proprietary fund. There is no column representing internal service funds presented in the statements.

Proprietary funds are accounted for using the “*economic resources*” measurement focus and the accrual basis of accounting. Accordingly, all assets, deferred outflows of resources, liabilities, and deferred inflows of resources (whether current or noncurrent) are included on the Statement of Net Position. The Statement of Revenues, Expenses and Changes in Fund Net Position presents increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.

Operating revenues in the proprietary funds are those revenues that are generated from the primary operations of the fund. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as non-operating expenses.

Fiduciary Fund Financial Statements

Fiduciary Fund Financial Statements include a Statement of Net Position. The City’s Fiduciary Funds represent Agency Funds, which are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Therefore, the Agency Funds do not have a measurement focus. These funds are accounted for using the accrual basis of accounting. The following Agency Funds are included in the Fiduciary Fund financial statements:

Payroll Agency Fund: Accounts for payment of payroll liabilities and health insurance premiums.

Funds

As mentioned, the Governmental Fund Financial Statements include a Balance Sheet and a Statement of Revenues, Expenditures, and Changes in Fund Balances for all major governmental funds and nonmajor funds aggregated. The following major funds are presented in a separate column on the Governmental Fund Financial Statements:

Governmental Funds

1. General Fund: The General Fund is the primary operating unit of the City. It accounts for all financial resources of the City, except those required to be accounted for in another fund.
2. Tax Increment District Downtown: The Downtown Tax Increment District was created after the adoption of the Livingston Urban Renewal Agency Plan by the City Commission. The primary purpose of this District is to rehabilitate and develop identified blighted areas within the City of Livingston’s Downtown area.
3. Street Maintenance Fund: This fund accounts for the resources accumulated and payments made for maintenance and repairs of city-owned streets. Special assessments make up the majority of this fund’s revenue.

CITY OF LIVINGSTON, MONTANA
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Proprietary Funds

1. Water Fund: Accounts for the activities of the City's water services.
2. Sewer Fund: Accounts for the activities of the City's wastewater services.
3. Solid Waste Fund: Accounts for the activities of the City's sanitation services.
4. Ambulance Fund: Accounts for the activities of the City's ambulance services.

Budgets and Budgetary Accounting

An annual appropriated operating budget is adopted each fiscal year for the General Fund, Special Revenue Funds, Debt Service Funds, and Capital Projects Funds on the modified accrual basis. An annual appropriated operating budget is adopted each fiscal year for the Proprietary Funds on the accrual basis.

The final budget is legally enacted by the City Commission by the later of the first Thursday after the first Tuesday in September or within 30 calendar days of receiving certified taxable values from the Department of Revenue, as required by State statutes.

The operating budgets cannot be increased except through a public hearing or for a public emergency, which could not have been reasonably foreseen at the time of adoption of the budget. Budget appropriation transfers may be made between the general classifications of salaries and wages, maintenance and operation and capital outlay.

Capital Assets

The City's assets are capitalized at historical cost or estimated historical cost. City policy has set the capitalization threshold for reporting capital assets at \$5,000. Gifts or contributions of capital assets are recorded at fair market value when received. Donated capital assets, donated works of art and similar items are reported at acquisition value rather than fair value. Depreciable capital assets are reported on the Statement of Net Position, net of applicable accumulated depreciation. Capital assets which are not depreciable, such as land and construction in progress are reported separately. Depreciation expense is reported in Statement of Activities and is calculated using the straight-line method based on the assets estimated useful life.

Depreciation is recorded on a straight-line basis over the useful lives of the assets as follows:

Building and structures	10 to 100 years
Improvements	5 to 30 years
Machinery and equipment	5 to 30 years
Infrastructure	40 years

In June 1999, the Governmental Accounting Standards Board (GASB) issued Statement 34 which requires the inclusion of infrastructure capital assets in local governments' basic financial statements. According to GASB 34, the City must record infrastructure assets prospectively from the date of implementation.

CITY OF LIVINGSTON, MONTANA
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The City defines infrastructure as the basic physical assets that allow the City to function. The assets to be recorded will include the street system, water purification and distribution system, sewer collection treatment system; park and recreation lands and improvement system, storm water conveyance system, and buildings combined with the site amenities such as parking and landscaped areas; and streets, sidewalks, curbs, and street lights.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable.

Enterprise Accounts Receivable

Ambulance receivables are shown net of an allowance for uncollectible accounts. Ambulance receivables in excess of 90 days comprise the allowance for uncollectible accounts, which was \$212,336 at June 30, 2018. Other enterprise receivable bad debts are written-off using the direct write-off method. Use of this method does not result in a material difference from the allowance method required by generally accepted accounting principles.

Inventories

Inventories of materials and supplies are expensed at the time of purchase. Inventories of materials and supplies on hand are not maintained. Inventory balances were not considered material.

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements.

On-Behalf Payments for Fringe Benefits

On-behalf payments for fringe benefits are direct payments made by one entity to a third-party recipient for the employees of another legally separate entity. On-behalf payments include pension plan contributions. The State's pension contributions are recorded as intergovernmental revenue with offsetting expenditures in the PERS, Police Pension, Fire Pension, and Ambulance funds.

Compensated Absences Payable

Earned but unpaid vacation and sick pay is included as a liability in the proprietary funds and Government-Wide Financial Statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations or retirements.

Employees earn vacation leave ranging from 15 to 24 days per year depending on the individual's years of service. Accumulated vacation is restricted under Montana statute to a maximum accumulation of two times the amount earned annually. Sick leave is accumulated at 12 days per year with no limitations on the amount that may be accumulated. Upon retirement or resignation, an employee is eligible for 100 percent of the accumulated vacation leave and 25 percent of the accumulated sick leave.

CITY OF LIVINGSTON, MONTANA
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Cash Equivalents

For purposes of the statement of cash flows, the City considers all investments with original maturities of three months or less to be highly liquid investments and, therefore, cash equivalents.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Interfund Transactions

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. Those short-term loans related to goods and services type transactions are classified as “due to and from other funds.” Long-term interfund loans (noncurrent portion) are reported as “advances to and from other funds.” Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.” Interfund receivables and payables between funds are eliminated in the Statement of Net Position.

Fund Balance/Net Position

Fund Balance

Per GASB Statement No. 54, fund balance in the governmental funds is reported in two general classifications: nonspendable and spendable.

Nonspendable represents the portion of fund balance that is not in spendable form such as inventories, and, in the general fund, long term notes and loans receivable. Spendable fund balance is further categorized as restricted, committed, assigned, and unassigned.

The restricted fund balance category contains balances that can be spent only for the specific purposes stipulated by external parties or through enabling legislation. External parties include grantors, debt covenants, votes, and laws and regulations of other governments.

The committed fund balance category includes amounts that can be used only for the specific purposes determined by a formal action of the government’s highest level of decision-making authority, the City Commission. A resolution by the City Commission is required to establish, modify, or rescind a fund balance commitment.

Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed. Assignments of fund balance are created by an official who the governing body has delegated the authority to assign amounts to be used for specific purposes. The governing body (City Commission) has delegated this authority to the City Manager. The policy used by the governing body to authorize the assignment of fund balance came in the form of a resolution, which gave the authority to assign fund balance to the City Manager. In governmental funds other than the general fund, assigned fund balance also represents the remaining amount that is not restricted or committed. Also included in the assigned fund balance for the general fund are assignments for the portion of the current general fund balance that is projected to be used to fund expenditures and other cash outflows in excess of the expected revenues and other cash inflows in the next fiscal year.

CITY OF LIVINGSTON, MONTANA
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Unassigned fund balance is the residual classification for the government's general fund and includes all spendable amounts not contained in the other classifications. In other funds, the unassigned classification should be used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

When both restricted and unrestricted resources are available in a fund, the assumed order of spending is restricted first, next committed, next assigned, and finally unassigned.

Minimum General Fund – Fund Balance

The City does not maintain a stabilization fund.

Net Position

In funds other than governmental, net position represents the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction, or improvement of those assets. Net position are reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Certain proceeds of the water and sewer revenue bonds and tax increment bonds are classified as restricted assets because their use is limited by applicable bond restrictions.

Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position

Concepts Statement No. 4, Elements of Financial Statements, introduced and defined deferred outflows of resources as a consumption of net position by the government that is applicable to a future reporting period, and defined deferred inflows of resources as an acquisition of net position by the government that is applicable to a future reporting period. Previous financial reporting standards do not include guidance for reporting those financial statement elements, which are distinct from assets and liabilities. Concepts Statement 4 also identifies net position as the residual of all other elements presented in the statement of financial position.

Deferred inflows of resources in the governmental fund financial statements represent outstanding property taxes, special assessments, and court revenues. These amounts are reported as revenue in the government-wide financial statements in the period in which they are levied/assessed. Deferred inflows and outflows of resources in the government-wide financial statements relate to pension plan and OPEB calculations.

Pension Plans

The Montana Public Employees Retirement Administration (MPERA) prepared financial statements using the accrual basis of accounting. The same accrual basis was used by MPERA for the purposes of determining the Net Pension Liability (NPL); Deferred Outflows of Resources and Deferred Inflows of Resources related to pensions; Pension Expense; the Fiduciary Net Position; and Additions to or Deductions from Fiduciary Net Position. Member contributions are recognized in the period in which contributions are due. Employer contributions are recognized when due and the employer has made a formal commitment to provide the contributions. Revenues are recognized in the accounting period they are earned and become measurable. Benefit payments and refunds are recognized in the accounting period in which they are due and payable in accordance with the benefit terms. Expenses are recognized in the period incurred. Investments are reported at fair value. MPERA adhered to all accounting principles generally accepted by the United States of America. MPERA applied all applicable pronouncements of the Governmental Accounting Standards Board (GASB).

CITY OF LIVINGSTON, MONTANA
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

2. CASH AND INVESTMENTS

Cash and investments may include cash, demand, time, savings, and fiscal agent deposits; investments in the State Short-Term Investment Pool (STIP); direct obligations of the United States government and securities issued by agencies of the United States; repurchase agreements; and registered warrants. The City's cash, cash equivalents and investments as of year end are reported as follows:

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total</u>
Governmental activities	\$ 3,424,335	\$ 294,470	\$ 3,718,805
Business-type activities	2,940,056	778,829	3,718,885
Fiduciary funds	<u>260,550</u>	<u>-</u>	<u>260,550</u>
	<u><u>\$ 6,624,941</u></u>	<u><u>\$ 1,073,299</u></u>	<u><u>\$ 7,698,240</u></u>

Custodial Credit Risk—Deposits. Custodial credit risk for deposits is the risk that in the event of a financial institution failure, the City's deposits may not be returned, or the City will not be able to recover the collateral securities in the possession of the outside party. The City does not have a deposit policy for custodial credit risk. Account balances are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per bank, per depositor. The uninsured portion of the bank balance (\$5,566,745) was fully secured by pledged securities held by the financial institutions or by their trust departments or agents.

The City minimizes custodial credit risk by restrictions set forth in City policy and state law. The City's policy requires deposits to be 102 percent secured by collateral valued at market value. The City Finance Director maintains a listing of financial institutions, which are approved for investment purposes. Types of securities that may be pledged as collateral are detailed in Section 17-6-103 of the Montana Code Annotated (MCA). City policy requires that specific safeguards against risk of loss be evidenced when the City does not physically hold the securities.

Montana statutes require that the City obtain securities for the uninsured portion of the deposits as follows: 1) securities equal to 50% of such deposits if the institution in which the deposits are made has a net worth to total assets ratio of 6% or more, or 2) securities equal to 100% of the uninsured deposits if the institution in which the deposits are made has a net worth to total assets ratio of less than 6%. The state statutes do not specify in whose custody or name the collateral is to be held. The amount of collateral held for City deposits at year end exceeds the amount required by state statutes.

Credit Risk. As noted above, statutes authorize the City to invest in direct obligations of the United States Government and securities issued by agencies of the United States, repurchase agreements, and the State Short-Term Investment Pool (STIP). The City has no investment policy that would further limit its investment choices. The City's investments primarily consist almost entirely of certificates of deposit with effective interest rates of 1.15% to 2.7%. The investments are recorded at cost, which materially approximates fair value.

Fair Value Measurement and Application. The City 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.

CITY OF LIVINGSTON, MONTANA
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

2. CASH AND INVESTMENTS (Continued)

The City voluntarily participates in the STIP (Short Term Investment Pool) administered by the Montana Board of Investments (MBOI). A local government's STIP ownership is represented by shares, the prices of which are fixed at \$1.00 per share, and participants may buy or sell shares with one business days' notice. STIP administrative expenses are charged daily against the STIP income, which is distributed on the first calendar day of each month. Shareholders have the option to automatically reinvest their distribution income in additional shares. STIP is not registered with the Securities and Exchange Commission. STIP is not FDIC insured or otherwise insured or guaranteed by the federal government, the State of Montana, the Montana Board of Investments or any other entity against investment losses and there is no guaranteed rate of return on funds invested in STIP shares. The Montana Board of Investments maintains a reserve fund to offset possible losses and limit fluctuations in STIP's valuation. The STIP investment portfolio consists of securities with maximum maturity of 2 years. Information on investments held in the STIP can be found in the Annual Report on the Montana Board of Investments website at <http://investment.com/AnnualReportsAudits>.

U.S. Government bonds are valued using quoted market prices and certificates of deposit are valued using quoted prices in markets that are not active. These investments are recorded using recurring fair value measurements.

The following table provides information about the City's deposits and investments.

	Cash/Cash Equivalents	Investments	Total Fair Value	Maturities	Credit Risk Rating	Fair Value Hierarchy
Petty cash	\$ 1,320	\$ -	\$ 1,320	N/A	N/A	N/A
Demand deposits	5,323,824	-	5,323,824	N/A	FDIC	N/A
Certificate of deposits	-	1,161,355	1,161,355	N/A	FDIC	Level 2
STIP	-	661,742	661,742	N/A	N/A	N/A
U.S. Government bonds	-	550,000	550,000	1-5 years	S&P AA+	Level 2
	<u>\$ 5,325,144</u>	<u>\$ 2,373,096</u>	<u>\$ 7,698,240</u>			

3. TAXES AND ASSESSMENTS RECEIVABLE

Property tax levies are set in August in connection with the budget process and are based on taxable values listed as of January 1 for all property located in the City's jurisdiction. Taxable values are established by the Montana Department of Revenue based on market values. A re-evaluation of all property is required to be completed on a periodic basis. Taxable value is defined by state statute as a fixed percentage of market value.

Real property taxes and special assessments are generally billed as of November 1 and are payable 50% by November 30 and 50% by May 31. After these dates, taxes and assessments become delinquent and the City may file a lien on the related property. Most personal property taxes are due and payable on January 1 and become delinquent 30 days after billing. Personal property taxes are based on levies set during the prior September. Property taxes are maintained and collected by the County Treasurer. No allowance is made for uncollectible taxes as they are not considered significant.

Taxes and assessments that become delinquent are charged interest at the rate of 5/6 of 1% per month plus a penalty of 2%. Real property on which taxes and assessments remain delinquent and unpaid may be seized and sold at tax sales. In the case of personal property, the property may be seized and sold after the taxes become delinquent. The City is permitted by state statutes to levy taxes up to certain fixed limits for various purposes. The taxes levied by the City for the year were within legal limits. The tax levies for the fiscal year ended June 30, 2019, were based upon a taxable valuation of \$12,802,476.

CITY OF LIVINGSTON, MONTANA
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

4. CAPITAL ASSETS

All capital assets of the City are depreciable with the exceptions of land and construction in progress. Capital assets of the City consisted of the following:

	<u>June 30, 2018</u>	<u>Additions</u>	<u>Disposals</u>	<u>Transfers</u>	<u>June 30, 2019</u>
Governmental activities:					
Non-depreciable					
Land	\$ 285,226	\$ 90,000	\$ -	\$ -	\$ 375,226
Construction in progress	<u>2,681,974</u>	<u>1,097,551</u>	<u>-</u>	<u>(2,020,605)</u>	<u>1,758,920</u>
Total non-depreciable	<u>2,967,200</u>	<u>1,187,551</u>	<u>-</u>	<u>(2,020,605)</u>	<u>2,134,146</u>
Depreciable					
Buildings/improvements	3,510,671	78,560	-	35,860	3,625,091
Improvements other than buildings	1,702,913	-	(51,525)	863,260	2,514,648
Machinery and equipment	4,369,142	289,802	(94,868)	-	4,564,076
Infrastructure	<u>7,397,227</u>	<u>1,012,377</u>	<u>-</u>	<u>1,121,485</u>	<u>9,531,089</u>
Total depreciable	<u>16,979,953</u>	<u>1,380,739</u>	<u>(146,393)</u>	<u>2,020,605</u>	<u>20,234,904</u>
Less accumulated depreciation					
Buildings/improvements	(1,174,162)	(98,727)	-	-	(1,272,889)
Improvements other than buildings	(596,825)	(167,185)	51,525	-	(712,485)
Machinery and equipment	(2,401,833)	(258,196)	94,868	-	(2,565,161)
Infrastructure	<u>(1,490,498)</u>	<u>(201,867)</u>	<u>-</u>	<u>-</u>	<u>(1,692,365)</u>
Total accumulated depreciation	<u>(5,663,318)</u>	<u>(725,975)</u>	<u>146,393</u>	<u>-</u>	<u>(6,242,900)</u>
Total governmental activities	<u><u>\$ 14,283,835</u></u>	<u><u>\$ 1,842,315</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 16,126,150</u></u>

CITY OF LIVINGSTON, MONTANA
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

4. CAPITAL ASSETS (Continued)

	<u>June 30, 2018</u>	<u>Additions</u>	<u>Disposals</u>	<u>Transfers/ Adjustments</u>	<u>June 30, 2019</u>
Business-type activities:					
Non-depreciable					
Land	\$ 52,980	\$ -	\$ -	\$ -	\$ 52,980
Construction in progress	13,200,092	5,562,529	-	(777,551)	17,985,070
Total non-depreciable	<u>13,253,072</u>	<u>5,562,529</u>	<u>-</u>	<u>(777,551)</u>	<u>18,038,050</u>
Depreciable					
Buildings and systems	28,738,122	294,325	-	777,551	29,809,998
Machinery and equipment	4,062,907	163,230	-	-	4,226,137
Total depreciable	<u>32,801,029</u>	<u>457,555</u>	<u>-</u>	<u>777,551</u>	<u>34,036,135</u>
Less accumulated depreciation					
Buildings and systems	(12,965,913)	(773,324)	-	-	(13,739,237)
Machinery and equipment	<u>(3,020,058)</u>	<u>(191,596)</u>	<u>-</u>	<u>-</u>	<u>(3,211,654)</u>
Total accumulated depreciation	<u>(15,985,971)</u>	<u>(964,920)</u>	<u>-</u>	<u>-</u>	<u>(16,950,891)</u>
Total business-type activities	<u><u>\$ 30,068,130</u></u>	<u><u>\$ 5,055,164</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 35,123,294</u></u>

In accordance with GASB 34, the City has reported all capital assets, with the exception of pre-July 1, 2003 infrastructure in the Government-Wide Statement of Net Position. The assets are reported whereby accumulated depreciation and depreciation expense have been recorded.

For the year ended June 30, 2019, depreciation expense on capital assets was charged to the functions/programs as follows:

Governmental activities:		Business-type activities:	
General government	\$ 28,075	Water	\$ 293,834
Public safety	193,413	Sewer	520,581
Public works	289,631	Solid Waste	120,902
Public health	7,754	Ambulance	<u>29,603</u>
Culture and recreation	<u>207,102</u>	Total - business type activities	<u><u>\$ 964,920</u></u>
Total - governmental activities	<u><u>\$ 725,975</u></u>		

CITY OF LIVINGSTON, MONTANA
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

5. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund balances as of June 30, 2019, consisted of the following:

	<u>Due To</u>	<u>Due From</u>	<u>Internal Balances</u>
Governmental activities:			
General	\$ -	\$ 112,418	\$ 112,418
Tax increment district downtown	-	80,120	80,120
Nonmajor governmental funds	<u>(168,180)</u>	<u>42,879</u>	<u>(125,301)</u>
Total governmental activities	<u>\$ (168,180)</u>	<u>\$ 235,417</u>	<u>\$ 67,237</u>
Business-type activities			
Water	\$ -	\$ -	\$ -
Sewer	-	208,119	208,119
Solid waste	(275,356)	-	(275,356)
Ambulance	<u>-</u>	<u>-</u>	<u>-</u>
Total business-type activities	<u>\$ (275,356)</u>	<u>\$ 208,119</u>	<u>\$ (67,237)</u>
Total	<u>\$ (443,536)</u>	<u>\$ 443,536</u>	<u>\$ -</u>

The balance of \$100,856 due to the General, Perpetual Cemetery, and Sewer funds resulted in loans made to provide funding for a new solid waste transfer station. \$49,683 of the balance is schedule to be collected in the subsequent year. To cover cash deficits various funds loaned amounts which are expected to be repaid during the fiscal year ending June 30, 2020, excluding the transfer station payable which will be repaid over a longer term.

CITY OF LIVINGSTON, MONTANA
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

5. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS (Continued)

Interfund transfers consisted of the following for the year:

	<u>Transfer In</u>	<u>Transfer Out</u>	<u>Total</u>
Governmental activities:			
General	\$ 1,097,375	\$ (363,426)	\$ 733,949
Street maintenance	27,600	(123,650)	(96,050)
Nonmajor governmental funds	<u>610,186</u>	<u>(613,091)</u>	<u>(2,905)</u>
Total governmental activities	<u>\$ 1,735,161</u>	<u>\$ (1,100,167)</u>	<u>\$ 634,994</u>
Business-type activities			
Water	\$ -	\$ (141,822)	\$ (141,822)
Sewer	-	(180,390)	(180,390)
Solid waste	-	(199,478)	(199,478)
Ambulance	<u>-</u>	<u>(113,304)</u>	<u>(113,304)</u>
Total business-type activities	<u>\$ -</u>	<u>\$ (634,994)</u>	<u>\$ (634,994)</u>
Total	<u>\$ 1,735,161</u>	<u>\$ (1,735,161)</u>	<u>\$ -</u>

Transfers are used to finance various programs accounted for in individual funds in accordance with budgetary authorizations.

CITY OF LIVINGSTON, MONTANA
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

6. COMPENSATED ABSENCES

The City's policy relating to compensated absences is described in Note 1. As shown in the table below, the long-term portion of the debt, amounting to \$349,850 for governmental activities and \$177,750 for business-type activities at June 30, 2019, is expected to be paid in future years from future resources. In prior years, compensated absences have been liquidated primarily by the general fund and the proprietary funds.

	Balance June 30, 2018	Incurred	Satisfied	Balance June 30, 2019	Due within one year	Due after one year
Compensated absences						
Governmental activities	\$ 485,913	\$ 43,937	\$ (90,000)	\$ 439,850	\$ 90,000	\$ 349,850
Business-type activities	<u>260,637</u>	<u>(2,887)</u>	<u>(40,000)</u>	<u>217,750</u>	<u>40,000</u>	<u>177,750</u>
Total compensated absences	<u>\$ 746,550</u>	<u>\$ 41,050</u>	<u>\$ (130,000)</u>	<u>\$ 657,600</u>	<u>\$ 130,000</u>	<u>\$ 527,600</u>

7. LONG-TERM DEBT

Governmental Activities Long-Term Debt

The following is a summary of long-term debt transactions of the City's governmental activities:

	Balance June 30, 2018	Issuances	Repayments	Balance June 30, 2019	Current (Due within one year)	Long-term (Due after one year)
General obligation bonds	\$ 788,728	\$ -	\$ (71,775)	\$ 716,953	\$ 66,775	\$ 650,178
Notes payable	371,657	219,269	(79,090)	511,836	120,941	390,895
Special improvement	201,000	-	(25,000)	176,000	26,000	150,000
Tax increment	<u>457,000</u>	<u>2,046,080</u>	<u>(182,000)</u>	<u>2,321,080</u>	<u>60,000</u>	<u>2,261,080</u>
Totals	<u>\$ 1,818,385</u>	<u>\$ 2,265,349</u>	<u>\$ (357,865)</u>	<u>\$ 3,725,869</u>	<u>\$ 273,716</u>	<u>\$ 3,452,153</u>

CITY OF LIVINGSTON, MONTANA
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

7. LONG-TERM DEBT (Continued)

General Obligation Bonds

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations of the City and are backed by the full faith and credit of the City. General obligation bonds currently outstanding are as follows:

	Original Amount	Term	Interest Rate	Balance June 30, 2019	Due within one year
Refunding bonds - 2011	\$ 250,000	8 yr	2.0%	\$ 35,000	\$ 35,000
2016 Fire Truck GO Bonds	\$ 750,000	20 yr	1.5% - 4.0%	650,000	30,000
2016 bond issuance premium	\$ 35,503	20 yr	1.5% - 4.0%	31,953	1,775
				<u>\$ 716,953</u>	<u>\$ 66,775</u>

Annual debt service requirements to maturity for general obligation bonds are as follows:

Year ending June 30,	Principal	Interest	Total
2020	\$ 66,775	\$ 21,594	\$ 88,369
2021	36,775	20,294	57,069
2022	36,775	19,594	56,369
2023	31,775	18,894	50,669
2024	31,775	18,218	49,993
2025-2029	183,875	78,004	261,879
2030-2034	228,875	42,240	271,115
2035-2039	100,328	4,530	104,858
	<u>\$ 716,953</u>	<u>\$ 223,368</u>	<u>\$ 940,321</u>

CITY OF LIVINGSTON, MONTANA
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

7. LONG-TERM DEBT (Continued)

Notes Payable

The City has notes payable outstanding with the Montana Board of Investments. Principal and interest are due in semi-annual payments. The notes bear interest at a rate which is adjusted each August. Outstanding notes payable are as follows:

	Original Amount	Term	Interest Rate	Balance June 30, 2019	Due within one year
Street maintenance	\$ 400,000	10 yr	Variable, 1.00%	\$ 165,691	\$ 40,734
Railroad underpass	\$ 150,000	5 yr	Variable, 0.00%	60,990	30,374
Dispatch remodel	\$ 75,000	10 yr	Variable, 2.50%	61,148	7,038
DOT Aeronatics - Airport	\$ 9,625	10 yr	1.625%	4,738	963
Freightliner Street Sweeper	\$ 240,000	5 yr	Variable, 3.15%	219,269	41,832
				<u>\$ 511,836</u>	<u>\$ 120,941</u>

Notes payable debt service requirements to maturity are as follows:

Year ending June 30,	Principal	Interest	Total
2020	\$ 120,941	\$ 10,990	\$ 131,931
2021	122,526	2,893	125,419
2022	93,959	1,922	95,881
2023	95,725	1,301	97,026
2024	54,545	31	54,576
2025-2029	<u>24,140</u>	<u>1,821</u>	<u>25,961</u>
	<u>\$ 511,836</u>	<u>\$ 18,958</u>	<u>\$ 530,794</u>

CITY OF LIVINGSTON, MONTANA
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

7. LONG-TERM DEBT (Continued)

Special Improvement (SID) Bonds

The City issues special improvement (SID) bonds to provide funds for improvements. SID bonds outstanding are as follows:

	<u>Original Amount</u>	<u>Term</u>	<u>Interest Rate</u>	<u>Balance June 30, 2019</u>	<u>Due within one year</u>
SID No. 179 No. 1-2006	\$ 322,088	20 yr	3.75%	\$ 116,000	\$ 18,000
SID No. 179 No. 2-2006	\$ 158,500	20 yr	3.75%	<u>60,000</u>	<u>8,000</u>
				<u>\$ 176,000</u>	<u>\$ 26,000</u>

Special improvement (SID) bond debt service requirements to maturity are as follows:

<u>Year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 26,000	\$ 3,390	\$ 29,390
2021	27,000	2,870	29,870
2022	29,000	2,320	31,320
2023	30,000	1,730	31,730
2024	31,000	1,130	32,130
2025-2029	<u>33,000</u>	<u>500</u>	<u>33,500</u>
	<u>\$ 176,000</u>	<u>\$ 11,940</u>	<u>\$ 187,940</u>

CITY OF LIVINGSTON, MONTANA
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

7. LONG-TERM DEBT (Continued)

Tax Increment Bonds

The City issues tax increment bonds to provide funds for water and sewer line extensions within the west end tax increment district. The bonds are repaid from the tax dollars received by the City from its west end tax increment area. Tax increment bonds outstanding are as follows:

	Original Amount	Term	Interest Rate	Balance June 30, 2019	Due within one year
Tax increment bonds-2006	\$ 1,009,825	20 yr	3.75%	\$ 400,000	\$ 60,000
Downtown CIP Phase III & IV	\$ 2,015,000	15 yr	3.0% - 4.0%	1,890,000	90,000
2019 bond issuance premium	\$ 31,080	20 yr	1.5% - 4.0%	31,080	2,072
				<u>\$ 2,321,080</u>	<u>\$ 152,072</u>

Tax increment bond debt service requirements to maturity are as follows:

Year ending June 30,	Principal	Interest	Total
2020	\$ 152,072	\$ 76,276	\$ 228,348
2021	159,072	72,366	231,438
2022	163,072	68,256	231,328
2023	171,072	64,078	235,150
2024	202,072	60,046	262,118
2025-2029	623,360	234,043	857,403
2030-2034	850,360	115,995	966,355
	<u>\$ 2,321,080</u>	<u>\$ 691,060</u>	<u>\$ 3,012,140</u>

Compliance requirements for the tax increment and SID No. 179 bonds consist of establishing and funding reserve and capitalized interest accounts. Further, the SID bonds require a reserve of 5% of the outstanding bonds be established in the debt service revolving fund. The government is in substantial compliance.

CITY OF LIVINGSTON, MONTANA
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

7. LONG-TERM DEBT (Continued)

Business-type Activities Long Term Debt

The following is a summary of long-term debt transactions of the City's business-type activities:

	Balance June 30, 2018	Issuances	Repayments	Balance June 30, 2019	Current (Due within one year)	Long-term (Due after one year)
Revenue bonds	\$ 11,552,528	\$ 5,517,759	\$ (1,632,247)	\$ 15,438,040	\$ 508,123	\$ 14,929,917
Notes payable	30,589	-	(15,294)	15,295	15,295	-
Totals	<u>\$ 11,583,117</u>	<u>\$ 5,517,759</u>	<u>\$ (1,647,541)</u>	<u>\$ 15,453,335</u>	<u>\$ 523,418</u>	<u>\$ 14,929,917</u>

Revenue Bonds

The City also issues bonds where the City pledges income derived from the acquired or constructed assets to pay debt service. The SRF-18429 note will be forgiven upon completion of the program requirements. Revenue bonds outstanding are as follows:

	Original Amount	Term	Interest Rate	Balance June 30, 2019	Due within one year
Wastewater improvement - ARRA B	\$ 359,300	20 yr	1.75%	\$ 202,000	\$ 18,000
Water system refunding - 2012 series	\$ 535,000	8 yr	0.40% - 2.05%	70,000	70,000
Wasterwater treatment plant - SRF	\$ 4,840,000	20 yr	2.50%	3,622,615	171,000
USDA-RD WRF Note	\$ 5,000,000	40 yr	1.375%	4,865,425	96,123
SRF-18429 Forgivable Note	\$ 400,000	N/A	N/A	400,000	-
SRF-18430 WTP	\$ 6,500,000	40 yr	2.50%	6,278,000	153,000
				<u>\$ 15,438,040</u>	<u>\$ 508,123</u>

CITY OF LIVINGSTON, MONTANA
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

7. LONG-TERM DEBT (Continued)

Revenue bond debt service requirements to maturity are as follows:

Year ending June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 508,123	\$ 222,102	\$ 730,225
2021	448,634	213,573	662,207
2022	458,985	203,712	662,697
2023	468,355	195,055	663,410
2024	479,577	185,949	665,526
2025-2029	2,564,063	779,136	3,343,199
2030-2034	2,767,780	581,299	3,349,079
2035-2039	2,321,795	405,669	2,727,464
2040-2044	1,976,378	215,450	2,191,828
2045-2049	1,728,831	125,371	1,854,202
2050-2054	747,487	76,463	823,950
2055-2059	<u>968,032</u>	<u>24,174</u>	<u>992,206</u>
	<u>\$ 15,438,040</u>	<u>\$ 3,227,953</u>	<u>\$ 18,665,993</u>

The significant compliance provisions of the water and sewer system revenue bonds require 1) a debt service account will be established and credited monthly with one-sixth of the interest and principal due within the next six months with respect to all outstanding bonds payable from that account, 2) establish a reserve account equal to the maximum principal and interest due in any fiscal year; this account will be established from net revenues and 3) produce net revenues not less than 110%-125% of maximum principal and interest due in any subsequent fiscal year. The City is in substantial compliance with the provisions of the water and sewer system revenue bonds.

Debt Defeasance

In October 2018, the City used cash reserves to complete an in-substance defeasance of the 2012 Series Sewer system refunding bond. The City placed \$1,140,535 in an irrevocable trust with an escrow agent to provide for the payment of remaining principal and interest on the refunding bond. The defeasance resulted in a \$1,282,000 reduction in the City's principal and interest payments over the next nine years in the sewer fund. The \$15,472 difference between the reacquisition price (\$1,140,472 placed in trust) and the net carrying amount of the refunding bond (\$1,125,000) was recognized as a gain/loss in the sewer fund.

CITY OF LIVINGSTON, MONTANA
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

7. LONG-TERM DEBT (Continued)

Notes Payable

The City has notes payable outstanding with the Montana Board of Investments. Principal and interest are due in semi-annual payments through February 15, 2020. The notes bear interest at a rate which is adjusted each February. Outstanding notes payable are as follows:

	<u>Interest Rate</u>	<u>Balance June 30, 2019</u>	<u>Due within one year</u>
Water main replacement	1.95%	<u>\$ 15,295</u>	<u>\$ 15,295</u>

Notes payable debt service requirements to maturity are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year ending June 30, 2020	<u>\$ 15,295</u>	<u>\$ 114</u>	<u>\$ 15,409</u>

Long-term liability activity for the year was as follows:

	<u>Balance June 30, 2018</u>	<u>Issuances</u>	<u>Repayments</u>	<u>Balance June 30, 2019</u>	<u>Due Within One Year</u>
Governmental activities:					
Bonds payable:					
General obligation debt	\$ 788,728	\$ -	\$ (71,775)	\$ 716,953	\$ 66,775
Notes payable	371,657	219,269	(79,090)	511,836	120,941
Special improvement	201,000	-	(25,000)	176,000	26,000
Tax increment	457,000	2,046,080	(182,000)	2,321,080	152,072
Compensated absences	<u>485,913</u>	<u>43,937</u>	<u>(90,000)</u>	<u>439,850</u>	<u>90,000</u>
Total governmental activities	<u>\$ 2,304,298</u>	<u>\$ 2,309,286</u>	<u>\$ (447,865)</u>	<u>\$ 4,165,719</u>	<u>\$ 455,788</u>
Business-type activities:					
Revenue bonds	\$ 11,552,528	\$ 5,517,759	\$ (1,632,247)	\$ 15,438,040	\$ 508,123
Notes payable	30,589	-	(15,294)	15,295	15,295
Compensated absences	<u>260,637</u>	<u>(2,887)</u>	<u>(40,000)</u>	<u>217,750</u>	<u>40,000</u>
Total business-type activities	<u>\$ 11,843,754</u>	<u>\$ 5,514,872</u>	<u>\$ (1,687,541)</u>	<u>\$ 15,671,085</u>	<u>\$ 563,418</u>

For the governmental activities, bonds payable are liquidated by the debt service funds. Compensated absences are paid from the fund which the employee is assigned.

CITY OF LIVINGSTON, MONTANA
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

8. DEFERRED COMPENSATION PLAN

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The Plan, which is available to all City employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. In accordance with GASB Statement No. 32, the City has removed the balances from their financial statements related to the deferred compensation plan, as these amounts represent neither assets nor liabilities to the City, and the plan is administered by an independent third party.

9. DEFICIT FUND EQUITY

At June 30, 2019, the funds listed below had fund balance deficits. The deficit balances do not represent any type of legal violation, and it is the City management's opinion that the deficits will be eliminated by additional grant funding, collection of long-term receivables, or transfers from other funds.

Special Revenue Funds	
Sidewalks	\$ 64,691
Debt Service Funds	
S.I.D. No. 180	\$ 8,927

10. SEGMENT INFORMATION FOR ENTERPRISE FUNDS

Because the City's enterprise funds are reported as major funds in the fund financial statements, segment disclosures herein are not required.

11. POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS

Plan Description

As required by State law (MCA 2-18-704), the City allows its retiring employees with at least five years of service and who are at least 50 years of age, along with their eligible spouses and dependents, the option to continue participation in the City's group health insurance plan until the retiree becomes eligible for Medicare coverage. This option creates a defined benefit other post-employment benefits plan (OPEB), since retirees are typically older than the average age of active plan participants and therefore receive a benefit of lower insurance rates. The OPEB plan is a single-employer defined benefit plan administered by the City. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75. The City covers OPEB costs when they come due, on a pay-as-you-go basis.

Benefits Provided

The OPEB plan provides healthcare insurance benefits for retirees, eligible spouses and dependents, as defined in MCA 2-18-704. Eligible retirees are required to pay the full amount of their health insurance premiums.

CITY OF LIVINGSTON, MONTANA
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

11. POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)

Actuarial Valuation

An actuarial valuation was performed for the City OPEB plan as of June 30, 2018. Roll forward procedures and calculations were used to obtain the figures reported for the year ended June 30, 2019.

Employees Covered by Benefit Terms

As of June 30, 2019, the following employees were covered by the benefit terms:

Inactive members currently receiving benefits	9
Inactive members entitled to but not yet receiving benefits	0
Active members	90
	<hr/>
Total	99
	<hr/> <hr/>

Total OPEB Liability

The City's total OPEB liability was measured as of June 30, 2018 and was determined by an actuarial valuation as of June 30, 2018, with roll forward procedures used to calculate total OPEB liability as of June 30, 2019.

Actuarial Present Value of Future Benefits	
Retired - Employees	\$ 212,045
Retired - Spouses/Dependents	51,798
Actives - Employees	1,079,164
Actives - Spouses/Dependents	310,481
	<hr/>
	\$ 1,653,488
	<hr/> <hr/>
Total OPEB Liability	
Retired - Employees	\$ 225,351
Retired - Spouses/Dependents	55,048
Actives - Employees	544,493
Actives - Spouses/Dependents	159,892
	<hr/>
	\$ 984,784
	<hr/> <hr/>

There are no assets accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75, so the Net Fiduciary Position is \$0 and the Net OPEB Liability would be equal to the Total OPEB Liability.

CITY OF LIVINGSTON, MONTANA
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

11. POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)

Actuarial Assumptions and Other Inputs

The total OPEB liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	3.00% per year
Salary increases	3.00% per year
Discount rate	3.87% *
Healthcare cost trend rates	5.00% all years

*As an unfunded plan, the discount rate reflects the index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher as of the measurement date.

Mortality rates were based on the RP 2014 annuitant distinct mortality table adjusted to 2006 with MP 2017 generational projection of future mortality improvement. The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to April 30, 2016.

Changes in the Total OPEB Liability

Total OPEB liability - beginning of year	\$ 926,637
Service cost	61,962
Interest	37,460
Changes in benefit terms	-
Difference between expected and actual experience	-
Changes of assumptions	-
Benefit payments	(41,275)
Net change in OPEB liability	<u>58,147</u>
Total OPEB liability - end of year	<u><u>\$ 984,784</u></u>
Covered-employee payroll	\$ 4,184,393
Total OPEB liability as a percentage of covered-employee payroll	23.53%

CITY OF LIVINGSTON, MONTANA
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

11. POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rate

The following presents the total OPEB liability, calculated using the current healthcare cost trend rate of 5.0%, as well as the total OPEB liability calculated using a healthcare cost trend rate that is 1-percentage point lower (4.0%) or 1-percentage point higher (6.0%) than the current rate:

	1.0% Decrease (4.0%)	Current Healthcare Cost Trend Rate (5.0%)	1.0% Increase (6.0%)
Total OPEB Liability	\$ 893,318	\$ 984,784	\$ 1,093,125

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability, calculated using the current discount rate of 3.87%, as well as the total OPEB liability calculated using a discount rate that is 1-percentage point lower (2.87%) or 1-percentage point higher (4.87%) than the current rate:

	1.0% Decrease (2.87%)	Current Discount Rate (3.87%)	1.0% Increase (4.87%)
Total OPEB Liability	\$ 1,069,469	\$ 984,784	\$ 909,385

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

For the year ended June 30, 2019, the City recognized OPEB expense of \$30,371. The City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Inflows of Resources	Deferred Outflows of Resources
Difference between expected and actual experience	\$ (147,118)	\$ -
Changes in assumptions or other inputs	(141,405)	-
	<u>\$ (288,523)</u>	<u>\$ -</u>

CITY OF LIVINGSTON, MONTANA
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

11. POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ending June 30	Amount
2020	\$ (30,371)
2021	\$ (30,371)
2022	\$ (30,371)
2023	\$ (30,371)
2024	\$ (30,371)
Thereafter	\$ (136,668)

12. NET PENSION LIABILITY AND RELATED AMOUNTS

The City's employees participate in pension plans administered by the Montana Public Employee Retirement Administration (MPERA), Public Employees' Retirement System (PERS), Municipal Police Officers' Retirement System (MPORS) and Firefighters' Unified Retirement System (FURS). Information on these plans is disclosed in Notes 13, 14, and 15.

Aggregate pension liability and related deferred inflows of resources and outflows of resources as of June 30, 2019, are disclosed below.

Plan	Net Pension Liability	Deferred Inflows of Resources	Deferred Outflows of Resources
PERS	\$ 3,186,417	\$ 765,678	\$ 776,059
MPORS	761,289	20,956	168,465
FURS	687,285	32,341	287,564
	<u>\$ 4,634,991</u>	<u>\$ 818,975</u>	<u>\$ 1,232,088</u>
Governmental activities	\$ 3,084,091	\$ 507,767	\$ 798,910
Business-type activities	1,550,900	311,208	433,178
	<u>\$ 4,634,991</u>	<u>\$ 818,975</u>	<u>\$ 1,232,088</u>

CITY OF LIVINGSTON, MONTANA
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

13. PENSION PLANS – PUBLIC EMPLOYEES’ RETIREMENT SYSTEM (PERS)

In accordance with GASB Statement 68, Accounting and Financial Reporting for Pensions, employers and the non-employer contributing entity are required to recognize and report certain amounts associated with participation in the Public Employees' Retirement System Defined Benefit Retirement Plan (the Plan). This includes the proportionate share of the collective Net Pension Liability; Pension Expense; and Deferred Outflows and Deferred Inflows associated with pensions. The following information for reporting as of June 30, 2019, is based on a June 30, 2018 measurement date.

Plan Description

The PERS-Defined Benefit Retirement Plan (DBRP), administered by the Montana Public Employee Retirement Administration (MPERA), is a multiple-employer, cost-sharing plan established July 1, 1945, and governed by Title 19, chapters 2 & 3, MCA. This plan provides retirement benefits to covered employees of the State, and local governments, and certain employees of the Montana University System, and school districts. Benefits are established by state law and can only be amended by the Legislature.

All new members are initially members of the PERS-DBRP and have a 12-month window during which they choose to remain in the PERS-DBRP or join the PERS-DCRP by filing an irrevocable election. Members may not be participants of both the defined benefit and defined contribution retirement plans. All new members from the universities also have a third option to join the university system’s Montana University System Retirement Program (MUS-RP).

Benefits Provided

The PERS-DBRP provides retirement, disability, and death benefits to plan members and their beneficiaries. Benefits are based on eligibility, years of service, and highest average compensation (HAC). Members rights are vested after five years of service.

Service retirement:

Hired prior to July 1, 2011	Age 60, 5 years of membership service; Age 65, regardless of membership service; or Any age, 30 years of membership service.
Hired on or after July 1, 2011	Age 65, 5 years of membership service; Age 70, regardless of membership service.

Early retirement:

Hired prior to July 1, 2011	Age 50, 5 years of membership service; or Any age, 25 years of membership service.
Hired on or after July 1, 2011	Age 55, 5 years of membership service.

Second Retirement (requires returning to PERS-covered employer or PERS service):

1. Retired before January 1, 2016 and accumulate less than 2 years additional service credit or retire on or after January 1, 2016 and accumulate less than 5 years additional service credit:
 - a. A refund of member's contributions plus return interest (currently .77% effective July 1, 2017).
 - b. No service credit for second employment;
 - c. Start the same benefit amount the month following termination; and
 - d. Guaranteed Annual Benefit Adjustment (GABA) starts again in the January immediately following the second retirement.

CITY OF LIVINGSTON, MONTANA
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

13. PENSION PLANS – PUBLIC EMPLOYEES’ RETIREMENT SYSTEM (PERS) (Continued)

Benefits Provided (Continued)

2. Retired before January 1, 2016 and accumulate at least 2 years of additional service credit:
 - a. A recalculated retirement benefit based on provisions in effect after the initial retirement; and
 - b. GABA starts on the recalculated benefit in the January after receiving the new benefit for 12 months.
3. Retired on or after January 1, 2016 and accumulate 5 or more years of service credit:
 - a. The same retirement as prior to the return to service;
 - b. A second retirement benefit as prior to the second period of service based on laws in effect upon the rehire date; and
 - c. GABA starts on both benefits in the January after receiving the original and the new benefit for 12 months.

Member’s highest average compensation (HAC)

Hired prior to July 1, 2011 - highest average compensation during any consecutive 36 months;

Hired on or after July 1, 2011 – highest average compensation during any consecutive 60 months;

Compensation Cap

Hired on or after July 1, 2013 – 110% annual cap on compensation considered as part of a member’s highest average compensation.

Monthly benefit formula

Members hired prior to July 1, 2011:

- Less than 25 years of membership service: 1.785% of HAC per year of service credit;
- 25 years of membership service or more: 2% of HAC per year of service credit.

Members hired on or after July 1, 2011:

- Less than 10 years of membership service: 1.5% of HAC per year of service credit;
- 10 years or more, but less than 30 years of membership service: 1.785% of HAC per year of service credit;
- 30 years or more of membership service: 2% of HAC per year of service credit.

*Guaranteed Annual Benefit Adjustment (GABA)**

After the member has completed 12 full months of retirement, the member’s benefit increases by the applicable percentage (provided below) each January, inclusive of other adjustments to the member’s benefit

- 3% for members hired prior to July 1, 2007
- 1.5% for members hired between July 1, 2007 and June 30, 2013
- Members hired on or after July 1, 2013:
 - 1.5% for each year PERS is funded at or above 90%;
 - 1.5% is reduced by 0.1% for each 2% PERS is funded below 90%; and
 - 0% whenever the amortization period for PERS is 40 years or more.

CITY OF LIVINGSTON, MONTANA
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

13. PENSION PLANS – PUBLIC EMPLOYEES’ RETIREMENT SYSTEM (PERS) (Continued)

Contributions

The state Legislature has the authority to establish and amend contribution rates. Member and employer contribution rates are specified by Montana Statute and are a percentage of the member’s compensation. Contributions are deducted from each member’s salary and remitted by participating employers.

Special Funding: The state of Montana, as the non-employer contributing entity, paid to the Plan additional contributions that qualify as special funding. Those employers who received special funding are all participating employers.

Not Special Funding: Per Montana law, state agencies and universities paid their own additional contributions. The employer paid contributions are not accounted for as a special funding for state agencies and universities but are reported as employer contributions.

Member and employer contribution rates are shown in the table below.

Fiscal Year	Member		State & University Employer	Local Governments		School Districts	
	Hired < 7/1/11	Hired > 7/1/11		Employer	State	Employer	State
2019	7.900%	7.900%	8.670%	8.570%	0.100%	8.300%	0.370%
2018	7.900%	7.900%	8.570%	8.470%	0.100%	8.200%	0.370%
2017	7.900%	7.900%	8.470%	8.370%	0.100%	8.100%	0.370%
2016	7.900%	7.900%	8.370%	8.270%	0.100%	8.000%	0.370%
2015	7.900%	7.900%	8.270%	8.170%	0.100%	7.900%	0.370%
2014	7.900%	7.900%	8.170%	8.070%	0.100%	7.800%	0.370%
2012-2013	6.900%	7.900%	7.170%	7.070%	0.100%	6.800%	0.370%
2010-2011	6.900%		7.170%	7.070%	0.100%	6.800%	0.370%
2008-2009	6.900%		7.035%	6.935%	0.100%	6.800%	0.235%
2000-2007	6.900%		6.900%	6.800%	0.100%	6.800%	0.100%

1. Member contributions to the system of 7.9% are temporary and will be decreased to 6.9% on January 1 following actuary valuation results that show the amortization period has dropped below 25 years and would remain below 25 years following the reduction of both the additional employer and additional member contribution rates.
2. Employer contributions to the system:
 - a. Effective July 1, 2014, following the 2013 Legislative Session, PERS-employer contributions increase an additional 0.1% a year and will continue over 10 years through 2024. The additional employer contributions including 0.27% added in 2007 and 2009, will terminate on January 1 following an actuary valuation that shows the amortization period of the PERS-DBRP has dropped below 25 years and remains below the 25 years following the reduction of both the additional employer and member contribution rates.
 - b. Effective July 1, 2013, employers are required to make contributions on working retirees’ compensation. Member contributions for working retirees are not required.
 - c. The portion of employer contributions allocated to the PCR are included in the employers reporting. The PCR was paid off effective March 2016 and the contributions previously directed to the PCR are now directed to member accounts.

CITY OF LIVINGSTON, MONTANA
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

13. PENSION PLANS – PUBLIC EMPLOYEES’ RETIREMENT SYSTEM (PERS) (Continued)

3. Non Employer Contributions

a. Special Funding

- i. The State contributes 0.1% of members’ compensation on behalf of local government entities.
- ii. The State contributes 0.37% of members’ compensation on behalf of school district entities.
- iii. The state contributed a Statutory Appropriation from the General Fund of \$33,454,182.

In accordance with GASB Statement No. 24, on-behalf payments of fringe benefits and salaries for the City are recognized as revenues and expenditures in the fund financial statements. The covered payroll and contributions to the plan for the current year and two previous years are presented in the following table. The amounts contributed for those years were equal to the required contributions for each year.

Year Ended June 30	Covered Payroll	Employee Contributions	Employer Contributions	State Contributions
2019	\$ 3,049,194	\$ 240,886	\$ 262,317	\$ 3,050
2018	\$ 2,905,799	\$ 229,594	\$ 246,160	\$ 2,906
2017	\$ 2,870,022	\$ 226,688	\$ 240,175	\$ 2,870

Pension Liabilities, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

GASB Statement 68 allows a measurement date of up to 12 months before the employer’s fiscal year-end can be utilized to determine the Plan’s TPL. The basis for the TPL as of June 30, 2018, was determined by taking the results of the June 30, 2017, actuarial valuation and applying standard roll forward procedures. The roll forward procedure uses a calculation that adds the annual normal cost (also called the service cost), subtracts the actual benefit payments and refunds for the plan year, and then applies the expected investment rate of return for the year. The roll forward procedure will include the effects of any assumption changes and legislative changes. The update procedures are in conformity with Actuarial Standards of Practice issued by the Actuarial Standards Board. The Total Pension Liability (TPL) minus the Fiduciary Net Position equals the Net Pension Liability (NPL). The proportionate shares of the employer’s and the state of Montana’s NPL for June 30, 2018, and 2017, are displayed below. The employer’s proportionate share equals the ratio of the employer’s contributions to the sum of all employer and non-employer contributions during the measurement period. The state’s proportionate share for a particular employer equals the ratio of the contributions for the particular employer to the total state contributions paid. The employer recorded a liability of \$3,186,417 and the employer’s proportionate share was 0.1527 percent.

	Net Pension Liability as of 6/30/2019	Net Pension Liability as of 6/30/2018	Percent of Collective NPL as of 6/30/2019	Percent of Collective NPL as of 6/30/2018	Change in Percent of Collective NPL
Employer Proportionate Share	\$ 3,186,417	\$ 4,070,772	0.1527%	0.2090%	-0.0563%
State of Montana Proportionate Share associated with Employer	1,068,307	54,255	0.2054%	0.2765%	-0.0711%
Total	<u>\$ 4,254,724</u>	<u>\$ 4,125,027</u>	<u>0.3581%</u>	<u>0.4855%</u>	<u>-0.1274%</u>

CITY OF LIVINGSTON, MONTANA
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

13. PENSION PLANS – PUBLIC EMPLOYEES’ RETIREMENT SYSTEM (PERS) (Continued)

Changes in actuarial assumptions and methods: There were no changes in assumptions or other inputs that affected the measurement of the TPL.

Changes in benefit terms: There have been no changes in benefit terms since the previous measurement date.

Changes in proportionate share: There were no changes between the measurement date of the collective NPL and the employer’s reporting date that are expected to have a significant effect on the employer’s proportionate share of the collective NPL.

Pension Expense

At June 30, 2019, the employer recognized \$129,568 for its proportionate share of the Plan’s pension expense and recognized grant revenue of \$71,298 for the state of Montana proportionate share of the pension expense associated with the employer. Additionally, the employer recognized grant revenue of \$0 from the State Statutory Appropriation from the General Fund.

	Pension Expense as of 6/30/2019
Employer Proportionate Share of PERS	\$ 129,568
Employer Grant Revenue - State of Montana Proportionate Share for employer	71,298
Employer Grant Revenue - State of Montana State Apportionment for employer	-
Total	<u><u>\$ 200,866</u></u>

Recognition of Deferred Inflows and Outflows

At June 30, 2019, the employer reported its proportionate share of PERS’ deferred outflows of resources and deferred inflows of resources from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Actual vs. Expected Experience	\$ 242,306	\$ -
Projected vs. Actual Investment Earnings	-	49,485
Changes in Assumptions	270,957	-
Changes in Proportionate Share and Differences between Employer Contributions and Proportionate Share of Contributions	-	716,193
Employer Contributions Subsequent to the Measurement Date	262,796	-
Total	<u><u>\$ 776,059</u></u>	<u><u>\$ 765,678</u></u>

CITY OF LIVINGSTON, MONTANA
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

13. PENSION PLANS – PUBLIC EMPLOYEES’ RETIREMENT SYSTEM (PERS) (Continued)

Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in employer’s pension expense as follows:

Year ended June 30:	Recognition of Deferred Outflows and Inflows in future years as an increase or (decrease) to Pension Expense
2020	\$ 285,460
2021	(3,820)
2022	(250,926)
2023	(20,333)
2024	-
Thereafter	-
	\$ 10,381

Actuarial Assumptions

The total pension liability in the June 30, 2018 actuarial valuation as determined using the following actuarial assumptions.

- Investment Return (net of admin expense): 7.65%
- Admin Expense as a % of Payroll: 0.26%
- General Wage Growth (includes inflation at 2.75%): 3.50%
- Merit Increases: 0% to 6.3%
- Postretirement Benefit Increases:
 - Guaranteed Annual Benefit Adjustment (GABA)
 - After the member has completed 12 full months of retirement, the member’s benefit increases by the applicable percentage each January, **inclusive** of other adjustments to the member’s benefit.
 - 3.0% for members hired prior to July 1, 2007
 - 1.5% for members hired between July 1, 2007 and June 30, 2013
 - Members hired on or after July 1, 2013
 - 1.5% for each year PERS is funded at or above 90%;
 - 1.5% is reduced by 0.1% for each 2% PERS is funded below 90%; and
 - 0% whenever the amortization period for PERS is 40 years or more.
- Mortality assumptions among contributing members, service retired members, and beneficiaries based on RP 2000 Combined Employee and Annuitant Mortality Tables projected to 2020 with scale BB, males set back 1 year.
- Mortality assumptions among disabled members are based on RP 2000 Combined Employee and Annuitant Mortality Tables with no projections.

CITY OF LIVINGSTON, MONTANA
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

13. PENSION PLANS – PUBLIC EMPLOYEES’ RETIREMENT SYSTEM (PERS) (Continued)

The most recent experience study, performed for the period covering fiscal years 2011 through 2016, is outlined in a report dated May 5, 2017 and can be located on the MPERA website. The long-term expected return on pension plan assets is reviewed as part of the regular experience studies prepared for the Plan. Several factors are considered in evaluating the long-term rate of return assumption including historical rates of return, rate of return assumptions adopted by similar public-sector systems, and by 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 were 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 the target asset allocation (78c & 78f) as of June 30, 2018, are summarized in the following table.

Asset Class	Target Asset Allocation	Long-Term Expected Real Rate of Return Arithmetic Basis
Cash Equivalents	2.60%	4.00%
Domestic Equity	36.00%	4.55%
Foreign Equity	18.00%	6.35%
Fixed Income	23.40%	1.00%
Private Equity	12.00%	7.75%
Real Estate	8.00%	4.00%

Discount Rate

The discount rate used to measure the TPL was 7.65%. The projection of cash flows used to determine the discount rate assumed that contributions from participating plan members, employers, and non-employer contributing entities would be made based on the Board’s funding policy, which established the contractually required rates under the Montana Code Annotated. The state contributed 0.1% of the salaries paid by local governments and 0.37% paid by school districts. In addition, the state contributed a statutory appropriation from the general fund. Based on those assumptions, the Plan’s fiduciary net position was projected to be adequate to make all the projected future benefit payments of current plan members through the year 2121. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the TPL. A municipal bond rate was not incorporated in the discount rate.

CITY OF LIVINGSTON, MONTANA
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

13. PENSION PLANS – PUBLIC EMPLOYEES’ RETIREMENT SYSTEM (PERS) (Continued)

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

The following presents the employer’s sensitivity of the NPL to the discount rate in the table below. A small change in the discount rate can create a significant change in the liability. The NPL was calculated using the discount rate of 7.65%, as well as what the NPL would be if it were calculated using a discount rate 1.00% lower or 1.00% higher than the current rate.

	1.0% Decrease	Current Discount	1.0% Increase
	(6.65%)	Rate	(8.65%)
	7.65%		
Net Pension Liability	\$ 4,608,297	\$ 3,186,417	\$ 2,018,827

Defined Contribution Plan

The City contributed to the state of Montana Public Employee Retirement System Defined Contribution Retirement Plan (PERS-DCRP) for employees that have elected the DCRP. The PERS-DCRP is administered by the PERB and is reported as a multiple-employer plan established July 1, 2002, and governed by Title 19, chapters 2 & 3, MCA.

All new PERS members are initially members of the PERS-DBRP and have a 12-month window during which they may choose to remain in the PERS-DBRP or join the PERS-DCRP by filing an irrevocable election. Members may not be participants of both the defined benefit and defined contribution retirement plans.

Member and employer contribution rates are specified by state law and are a percentage of the member’s compensation. Contributions are deducted from each member’s salary and remitted by participating employers. The state Legislature has the authority to establish and amend contribution rates.

Benefits are dependent upon eligibility and individual account balances. Participants are vested immediately in their own contributions and attributable income. Participants are vested after 5 years of membership service for the employer’s contributions to individual accounts and the attributable income. Non-vested contributions are forfeited upon termination of employment per 19-3-2117(5), MCA. Such forfeitures are used to cover the administrative expenses of the PERS-DCRP.

At the plan level for the measurement period ended June 30, 2018, the PERS-DCRP employer did not recognize any net pension liability or pension expense for the defined contribution plan. Plan level non-vested forfeitures for the 300 employers that have participants in the PERS-DCRP totaled \$746,144.

Stand-Alone Statements

The financial statements of the Montana Public Employees Retirement Board (PERB) Comprehensive Annual Financial Report (CAFR) and the GASB 68 Report disclose the Plan’s fiduciary net position. The reports are available from the PERB at PO Box 200131, Helena MT 59620-0131, (406) 444-3154 or the MPERA website at <http://mpera.mt.gov>.

CITY OF LIVINGSTON, MONTANA
NOTES TO FINANCIAL STATEMENTS
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14. PENSION PLANS – MUNICIPAL POLICE OFFICERS' RETIREMENT SYSTEM (MPORS)

In accordance with GASB Statement 68, Accounting and Financial Reporting for Pensions, employers and the non-employer contributing entity are required to recognize and report certain amounts associated with participation in the Public Employees' Retirement System Defined Benefit Retirement Plan (the Plan). This includes the proportionate share of the collective Net Pension Liability; Pension Expense; and Deferred Outflows and Deferred Inflows associated with pensions. The following information for reporting as of June 30, 2019, is based on a June 30, 2018 measurement date.

Plan Description

The Municipal Police Officers' Retirement System (MPORS), administered by the Montana Public Employee Retirement Administration (MPERA), is a multiple-employer, cost-sharing defined benefit plan established in 1974 and governed by Title 19, chapters 2 & 9, MCA. This plan provides retirement benefits to all municipal police officers employed by first- and second-class cities and other cities that adopt the plan. Benefits are established by state law and can only be amended by the Legislature. The MPORS provides retirement, disability, and death benefits to plan members and their beneficiaries.

Deferred Retirement Option Plan (DROP): Beginning July 2002, eligible members of MPORS can participate in the DROP by filing a one-time irrevocable election with the Board. The DROP is governed by Title 19, Chapter 9, Part 12, MCA. A member must have completed at least twenty years of membership service to be eligible. They may elect to participate in the DROP for a minimum of one month and a maximum of 60 months and may only participate in the DROP once. A participant remains a member of the MPORS, but will not receive membership service or service credit in the system for the duration of the member's DROP period. During participation in the DROP, all mandatory contributions continue to the retirement system. A monthly benefit is calculated based on salary and years of service to date as of the beginning of the DROP period. The monthly benefit is paid into the member's DROP account until the end of the DROP period. At the end of the DROP period, the participant may receive the balance of the DROP account in a lump-sum payment or in a direct rollover to another eligible plan, as allowed by the IRS. If the participant continues employment after the DROP period ends, they will again accrue membership service and service credit. The DROP account cannot be distributed until employment is formally terminated.

Summary of Benefits

MPORS provides retirement, disability, and death benefits to plan members and their beneficiaries. Benefits are based on eligibility, years of service, and compensation. Members rights are vested after five years of service.

Eligibility for benefit and benefit formulas

Service retirement:

- 20 years of membership service, regardless of age
- Age 50, 5 years of membership service
- 2.5% of FAC x years of service credit

Second retirement

Recalculated using specific criteria for members who return to covered MPORS employment prior to July 1, 2017:

1. Less than 20 years of membership service, upon re-employment, repay benefits and subsequent retirement is based on total MPORS service.
2. More than 20 years of service, upon re-employment, receives benefit and a new retirement benefit based on additional service credit and FAC after re-employment.

CITY OF LIVINGSTON, MONTANA
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

14. PENSION PLANS – MUNICIPAL POLICE OFFICERS' RETIREMENT SYSTEM (MPORS) (Continued)

Applies to retirement system members re-employed in a MPORS position on or after July 1, 2017:

1. If the member works more than 480 hours in a calendar year and accumulates less than 5 years of service credit before terminating again, the member:
 - a. Is not awarded service credit for the period of reemployment;
 - b. Is refunded the accumulated contributions associated with the period of reemployment;
 - c. Starting the first month following termination of service, receives the same retirement benefit previously paid to the member; and
 - d. Does not accrue post-retirement benefit adjustments during the term of re-employment but receives a Guaranteed Annual Benefit Adjustment (GABA) in January immediately following second retirement.
2. If the member works more than 480 hours in a calendar year and accumulates at least 5 years of service credit before terminating again, the member:
 - a. Is awarded service credit for the period of re-employment;
 - b. Starting the first month following termination of service, receives:
 - i. The same retirement benefit previously paid to the member, and
 - ii. A second retirement benefit for the period of reemployment calculated based on the laws in effect as of the member's rehire date; and
 - c. Does not accrue post-retirement benefit adjustments during the term of re-employment but receives a GABA:
 - i. On the initial retirement benefit in January immediately following second retirement, and
 - ii. On the second retirement benefit starting in January after receiving that benefit for at least 12 months.
 - d. A member who returns to covered service is not eligible for a disability benefit.

Member's final average compensation (FAC)

Hired prior to July 1, 1977 - average monthly compensation of final year of service;

Hired on or after July 1, 1977 - final average compensation (FAC) for last consecutive 36 months

Compensation Cap

Hired on or after July 1, 2013 – 110% annual cap on compensation considered as a part of a member's final average compensation

Guaranteed Annual Benefit Adjustment (GABA)

Hired on or after July 1, 1997, or those electing GABA, and has been retired for at least 12 months, a GABA will be made each year in January equal to 3%.

Minimum benefit adjustment (non-GABA)

The minimum benefit provided may not be less than 50% of the compensation paid to a newly confirmed police officer of the employer that last employed the member as a police officer in the current fiscal year.

Contributions

The State Legislature has the authority to establish and amend contribution rates to the plan. Member and employer contribution rates are specified by Montana Statute and are a percentage of the member's compensation. Contributions are deducted from each member's salary and remitted by participating employers.

CITY OF LIVINGSTON, MONTANA
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

14. PENSION PLANS – MUNICIPAL POLICE OFFICERS’ RETIREMENT SYSTEM (MPORS) (Continued)

Special Funding: MCA 19-9-702 requires the State of Montana to contribute a percentage of total compensation directly to the Plan annually after the end of each fiscal year. Member, Employer and State contribution rates are shown in the table below.

Fiscal Year	Member				Employer	State
	Hired < 7/1/75	Hired > 6/30/75	Hired > 6/30/79	Hired > 6/30/97 GABA		
2000-2019	5.800%	7.000%	8.500%	9.000%	14.410%	29.370%
1998-1999	7.800%	9.000%	10.500%	11.000%	14.410%	29.370%
1997	7.800%	9.000%	10.500%		14.360%	29.370%

In accordance with GASB Statement No. 24, on-behalf payments of fringe benefits and salaries for the City are recognized as revenues and expenditures in the fund financial statements. The covered payroll and contributions to the plan for the current year and two previous years are presented in the following table. The amounts contributed for those years were equal to the required contributions for each year.

Year Ended June 30	Covered Payroll	Employee Contributions	Employer Contributions	State Contributions
2019	\$ 715,290	\$ 64,376	\$ 103,074	\$ 210,081
2018	\$ 701,658	\$ 63,149	\$ 101,109	\$ 206,077
2017	\$ 625,010	\$ 56,208	\$ 89,995	\$ 183,566

Pension Liabilities, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

GASB Statement 68 allows a measurement date of up to 12 months before the employer’s fiscal year-end can be utilized to determine the Plan’s TPL. The basis for the TPL as of June 30, 2018, was determined by taking the results of the June 30, 2017, actuarial valuation and applying standard roll forward procedures. The roll forward procedure uses a calculation that adds the annual normal cost (also called the service cost), subtracts the actual benefit payments and refunds for the plan year, and then applies the expected investment rate of return for the year. The roll forward procedure will include the effects of any assumption changes and legislative changes. The update procedures are in conformity with Actuarial Standards of Practice issued by the Actuarial Standards Board. The Total Pension Liability (TPL) minus the Fiduciary Net Position equals the Net Pension Liability (NPL). The proportionate shares of the employer’s and the State of Montana’s NPL for June 30, 2018, and 2017, are displayed below. The employer’s proportionate share equals the ratio of the employer’s contributions to the sum of all employer and non-employer contributions during the measurement period. Due to the existence of the special funding situation, the state is required to report a proportionate share of a local government’s collective NPL that is associated with the non-state employer. The state’s proportionate share for a particular employer equals the ratio of the contributions for the particular employer to the total state contributions paid. The employer recorded a liability of \$761,289 and the employer’s proportionate share was 0.4445 percent.

CITY OF LIVINGSTON, MONTANA
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

14. PENSION PLANS – MUNICIPAL POLICE OFFICERS’ RETIREMENT SYSTEM (MPORS) (Continued)

	Net Pension Liability as of 6/30/2019	Net Pension Liability as of 6/30/2018	Percent of Collective NPL as of 6/30/2019	Percent of Collective NPL as of 6/30/2018	Change in Percent of Collective NPL
Employer Proportionate Share	\$ 761,289	\$ 743,016	0.4445%	0.4176%	0.0269%
State of Montana Proportionate Share associated with Employer	1,556,226	1,514,389	1.3538%	0.8512%	0.5026%
Total	<u>\$ 2,317,515</u>	<u>\$ 2,257,405</u>	<u>1.7983%</u>	<u>1.2688%</u>	<u>0.5295%</u>

Changes in actuarial assumptions and methods: There were no changes in assumptions or other inputs that affected the measurement of the TPL.

Changes in benefit terms: There have been no changes in benefit terms since the previous measurement date.

Changes in proportionate share: There were no changes between the measurement date of the collective NPL and the employer’s reporting date that are expected to have a significant effect on the employer’s proportionate share of the collective NPL.

Pension Expense

At June 30, 2019, the employer recognized its proportionate share of the Plan’s pension expense of \$78,567. The employer also recognized grant revenue of \$214,528 for the support provided by the State of Montana for the proportionate share of the pension expense that is associated with the employer.

	Pension Expense as of 6/30/2019
Employer Proportionate Share of MPORS	\$ 78,567
Employer Grant Revenue - State of Montana Proportionate Share for employer	214,528
Total	<u>\$ 293,095</u>

CITY OF LIVINGSTON, MONTANA
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

14. PENSION PLANS – MUNICIPAL POLICE OFFICERS’ RETIREMENT SYSTEM (MPORS) (Continued)

Recognition of Deferred Inflows and Outflows

At June 30, 2019, the employer reported its proportionate share of the Plan’s deferred outflows of resources and deferred inflows of resources from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Actual vs. Expected Experience	\$ 2,134	\$ 15,184
Projected vs. Actual Investment Earnings	-	5,772
Changes in Assumptions	35,588	-
Changes in Proportionate Share and Differences between Employer Contributions and Proportionate Share of Contributions	27,669	-
Employer Contributions Subsequent to the Measurement Date	103,074	-
Total	<u>\$ 168,465</u>	<u>\$ 20,956</u>

Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	Recognition of Deferred Outflows and Inflows in future years as an increase or (decrease) to Pension Expense
2020	\$ 125,909
2021	27,775
2022	(2,780)
2023	(3,395)
2024	-
Thereafter	-
	<u>\$ 147,509</u>

CITY OF LIVINGSTON, MONTANA
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

14. PENSION PLANS – MUNICIPAL POLICE OFFICERS’ RETIREMENT SYSTEM (MPORS) (Continued)

Actuarial Assumptions

The total pension liability in the June 30, 2018 actuarial valuation as determined using the following actuarial assumptions.

- Investment Return (net of admin expense): 7.65%
- Admin Expense as a % of Payroll: 0.24%
- General Wage Growth (includes inflation at 2.75%): 3.50%
- Merit Increases: 0% to 6.6%
- Postretirement Benefit Increases:
 - Guaranteed Annual Benefit Adjustment (GABA)
 - Hired on or after July 1, 1997, or those electing GABA, and has been retired for at least 12 months, a GABA will be made each year in January equal to 3%.
 - Minimum Benefit Adjustment (non-GABA)
 - If hired before July 1, 1997 and member did not elect GABA, the minimum benefit adjustment provided is equal to 50% of the current base compensation of a newly confirmed police officer of the employer that last employed the member as a police officer.
- Mortality assumptions among contributing members, service retired members and beneficiaries were based on RP 2000 Combined Employee and Annuitant Mortality Tables projected to 2020 using scale BB, set back one year for males.
- Mortality assumptions among Disabled Retirees are based on RP 2000 Combined Employee and Annuitant Mortality Tables.

The most recent experience study, performed for the period covering fiscal years 2011 through 2016, is outlined in a report dated May 5, 2017 and can be located on the MPERA website. The long-term expected return on pension plan assets is reviewed as part of the regular experience studies prepared for the Plan. Several factors are considered in evaluating the long-term rate of return assumption including historical rates of return, rate of return assumptions adopted by similar public-sector systems, and by 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 were 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 the target asset allocation (78c & 78f) as of June 30, 2018, are summarized in the following table.

Asset Class	Target Asset Allocation	Long-Term Expected Real Rate of Return
		Arithmetic Basis
Cash Equivalents	2.60%	4.00%
Domestic Equity	36.00%	4.55%
Foreign Equity	18.00%	6.35%
Fixed Income	23.40%	1.00%
Private Equity	12.00%	7.75%
Real Estate	8.00%	4.00%

CITY OF LIVINGSTON, MONTANA
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

14. PENSION PLANS – MUNICIPAL POLICE OFFICERS’ RETIREMENT SYSTEM (MPORS) (Continued)

Discount Rate

The discount rate used to measure the TPL was 7.65%. The projection of cash flows used to determine the discount rate assumed that contributions from participating plan members, employers, and non-employer contributing entities would be made based on the Board’s funding policy, which established the contractually required rates under the Montana Code Annotated. The state contributed 29.37% of the salaries paid by employers. Based on those assumptions, the Plan’s fiduciary net position was projected to be adequate to make all the projected future benefit payments of current plan members through the year 2132. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the TPL. A municipal bond rate was not incorporated in the discount rate.

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

The following presents the employer’s sensitivity of the NPL to the discount rate in the table below. A small change in the discount rate can create a significant change in the liability. The NPL was calculated using the discount rate of 7.65%, as well as what the NPL would be if it were calculated using a discount rate 1.00% lower or 1.00% higher than the current rate.

	1.0% Decrease	Current Discount	1.0% Increase
	(6.65%)	Rate	(8.65%)
	7.65%		
Employer's Net Pension Liability	\$ 1,156,137	\$ 761,289	\$ 445,516

Stand-Alone Statements

The financial statements of the Montana Public Employees Retirement Board (PERB) Comprehensive Annual Financial Report (CAFR) and the GASB 68 Report disclose the Plan’s fiduciary net position. The reports are available from the PERB at PO Box 200131, Helena MT 59620-0131, (406) 444-3154 or the MPERA website at <http://mpera.mt.gov>.

15. PENSION PLANS – FIREFIGHTERS’ UNIFIED RETIREMENT SYSTEM (FURS)

In accordance with GASB Statement 68, Accounting and Financial Reporting for Pensions, employers and the non-employer contributing entity are required to recognize and report certain amounts associated with participation in the Public Employees' Retirement System Defined Benefit Retirement Plan (the Plan). This includes the proportionate share of the collective Net Pension Liability; Pension Expense; and Deferred Outflows and Deferred Inflows associated with pensions. The following information for reporting as of June 30, 2019, is based on a June 30, 2018 measurement date.

Plan Description

The Firefighters’ Unified Retirement System (FURS), administered by the Montana Public Employee Retirement Administration (MPERA), is a multiple-employer, cost-sharing defined benefit plan established in 1981, and governed by Title 19, chapters 2 & 13, Montana Code Annotated (MCA). This plan provides retirement benefits to firefighters employed by first and second-class cities, other cities and rural fire district departments that adopt the plan, and to firefighters hired by the Montana Air National Guard on or after October 1, 2001. Benefits are established by state law and can only be amended by the Legislature.

CITY OF LIVINGSTON, MONTANA
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

15. PENSION PLANS – FIREFIGHTERS’ UNIFIED RETIREMENT SYSTEM (FURS) (Continued)

Summary of Benefits

The FURS provides retirement, disability, and death benefits to plan members and their beneficiaries. Benefits are based on eligibility, years of service, and highest average compensation (HAC). Member rights are vested after five years of service.

Eligibility for benefit and benefit formulas

Service retirement and monthly benefit formula:

- Hired on or after July 1, 1981, or has elected to be covered by GABA:
 - 20 years of service membership
 - 2.5% of HAC x years of service credit
- Hired prior to July 1, 1981, and who had not elected to be covered by GABA, the greater of above, or:
 - If membership service is less than 20 years – 2% of the highest monthly compensation (HMC) x years of service credit
 - If membership service is greater or equal to 20 years – 50% of HMC + 2% of HMC x years of service credit in excess of 20
- Early retirement:
 - Age 50, 5 years of membership service – normal retirement benefit calculated using HAC and service credit

Second retirement:

Applies to retirement system members re-employed in a FURS position on or after July 1, 2017

- If the member works more than 480 hours in a calendar year and accumulates less than 5 years of service credit before terminating again, the member:
 - is not awarded service credit for the period of reemployment;
 - is refunded the accumulated contributions associated with the period of reemployment;
 - starting the first month following termination of service, receives the same retirement benefit previously paid to the member; and
 - does not accrue post-retirement benefit adjustments during the term of reemployment but receives a Guaranteed Annual Benefit Adjustment (GABA) in January immediately following second retirement.
- If the member works more than 480 hours in a calendar year and accumulates at least 5 years of service credit before terminating again, the member:
 - is awarded service credit for the period of reemployment;
 - starting the first month following termination of service, receives:
 - the same retirement benefit previously paid to the member; and
 - a second retirement benefit for the period of reemployment calculated based on the laws in effect as of the members’ rehire date, and
 - does not accrue post-retirement benefit adjustments during the term of reemployment but receives a GABA:
 - on the initial retirement benefit in January immediately following second retirement, and
 - on the second retirement benefit starting in January after receiving that benefit for at least 12 months.
- A member who returns to covered service is not eligible for a disability benefit.

Member’s compensation period used in benefit calculation

- Hired prior to July 1, 1981 and not electing GABA - highest monthly compensation (HMC)
- Hired on or after June 30, 1981 and those electing GABA – highest average compensation (HAC) during any consecutive 36 months (or shorter period of total service)
- Part-time firefighter – 15% of regular compensation for a newly confirmed full-time firefighter

CITY OF LIVINGSTON, MONTANA
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

15. PENSION PLANS – FIREFIGHTERS’ UNIFIED RETIREMENT SYSTEM (FURS) (Continued)

Compensation Cap

Hired on or after July 1, 2013 – 110% annual cap on compensation considered as a part of a member’s highest average compensation

Guaranteed Annual Benefit Adjustment (GABA)

Hired on or after July 1, 1997, or those electing GABA, and has been retired for at least 12 months – the member’s benefit increases by a maximum of 3% each January

Minimum Benefit Adjustment (non-GABA)

A member with 10 or more years of membership service who has not elected to be covered under GABA - the minimum benefit provided may not be less than 50% of the monthly compensation paid to a newly confirmed active firefighter of the employer that last employed the member as a firefighter in the current fiscal year.

Contributions

The State Legislature has the authority to establish and amend contribution rates to the plan. Member and employer contribution rates are specified by Montana Statute and are a percentage of the member’s compensation. Contributions are deducted from each member’s salary and remitted by participating employers.

Special Funding

MCA 19-13-604 requires the State of Montana to contribute a percentage of total compensation directly to the Plan annually after the end of each fiscal year. Member, Employer and State contribution rates are shown in the following table.

Fiscal Year	Member		Employer	State
	Non-GABA	GABA		
1998-2019	9.500%	10.700%	14.360%	32.610%
1997	7.800%		14.360%	32.610%

In accordance with GASB Statement No. 24, on-behalf payments of fringe benefits and salaries for the City are recognized as revenues and expenditures in the fund financial statements. The covered payroll and contributions to the plan for the current year and two previous years are presented in the following table. The amounts contributed for those years were equal to the required contributions for each year.

Year Ended June 30	Covered Payroll	Employee Contributions	Employer Contributions	State Contributions
2019	\$ 996,655	\$ 106,642	\$ 143,120	\$ 325,009
2018	\$ 938,602	\$ 100,431	\$ 134,783	\$ 306,078
2017	\$ 857,810	\$ 94,890	\$ 127,348	\$ 279,732

CITY OF LIVINGSTON, MONTANA
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

15. PENSION PLANS – FIREFIGHTERS’ UNIFIED RETIREMENT SYSTEM (FURS) (Continued)

Pension Liabilities, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

GASB Statement 68 allows a measurement date of up to 12 months before the employer’s fiscal year-end can be utilized to determine the Plan’s TPL. The basis for the TPL as of June 30, 2018, was determined by taking the results of the June 30, 2017, actuarial valuation and applying standard roll forward procedures. The roll forward procedure uses a calculation that adds the annual normal cost (also called the service cost), subtracts the actual benefit payments and refunds for the plan year, and then applies the expected investment rate of return for the year. The roll forward procedure will include the effects of any assumption changes and legislative changes. The update procedures are in conformity with Actuarial Standards of Practice issued by the Actuarial Standards Board. The Total Pension Liability (TPL) minus the Fiduciary Net Position equals the Net Pension Liability (NPL). The proportionate shares of the employer’s and the State of Montana’s NPL for June 30, 2018, and 2017, are displayed below. The employer’s proportionate share equals the ratio of the employer’s contributions to the sum of all employer and non-employer contributions during the measurement period. Due to the existence of the special funding situation, the state is required to report a proportionate share of a local government’s collective NPL that is associated with the non-state employer. The state’s proportionate share for a particular employer equals the ratio of the contributions for the particular employer to the total state contributions paid. The employer recorded a liability of \$687,285 and the employer’s proportionate share was 0.5967 percent.

	Net Pension Liability as of 6/30/2019	Net Pension Liability as of 6/30/2018	Percent of Collective NPL as of 6/30/2019	Percent of Collective NPL as of 6/30/2018	Change in Percent of Collective NPL
Employer Proportionate Share	\$ 687,285	\$ 674,153	0.5967%	0.5964%	0.0003%
State of Montana Proportionate Share associated with Employer	1,571,515	1,530,932	2.0074%	1.3544%	0.6530%
Total	<u>\$ 2,258,800</u>	<u>\$ 2,205,085</u>	<u>2.6041%</u>	<u>1.9508%</u>	<u>0.6533%</u>

Changes in actuarial assumptions and methods: There were no changes in assumptions or other inputs that affected the measurement of the TPL.

Changes in benefit terms: There have been no changes in benefit terms since the previous measurement date.

Changes in proportionate share: There were no changes between the measurement date of the collective NPL and the employer’s reporting date that are expected to have a significant effect on the employer’s proportionate share of the collective NPL.

CITY OF LIVINGSTON, MONTANA
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

15. PENSION PLANS – FIREFIGHTERS’ UNIFIED RETIREMENT SYSTEM (FURS) (Continued)

Pension Expense

At June 30, 2019, the employer recognized its proportionate share of the Plan’s pension expense of \$95,558. The employer also recognized grant revenue of \$316,299 for the support provided by the state of Montana for the proportionate share of the pension expense that is associated with the employer.

	Pension Expense as of 6/30/2019
Employer Proportionate Share of MPORS	\$ 95,558
Employer Grant Revenue - State of Montana Proportionate Share for employer	316,299
Total	<u>\$ 411,857</u>

Recognition of Deferred Inflows and Outflows

At June 30, 2019, the employer reported its proportionate share of the Plan’s deferred outflows of resources and deferred inflows of resources from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Actual vs. Expected Experience	\$ 77,148	\$ 3,786
Projected vs. Actual Investment Earnings	-	8,336
Changes in Assumptions	67,296	-
Changes in Proportionate Share and Differences between Employer Contributions and Proportionate Share of Contributions	-	20,219
Employer Contributions Subsequent to the Measurement Date	143,120	-
Total	<u>\$ 287,564</u>	<u>\$ 32,341</u>

CITY OF LIVINGSTON, MONTANA
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

15. PENSION PLANS – FIREFIGHTERS’ UNIFIED RETIREMENT SYSTEM (FURS) (Continued)

Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	Recognition of Deferred Outflows and Inflows in future years as an increase or (decrease) to Pension Expense
2020	\$ 181,740
2021	26,147
2022	7,769
2023	24,793
2024	14,774
Thereafter	-
	<u><u>\$ 255,223</u></u>

Actuarial Assumptions

The total pension liability in the June 30, 2018 actuarial valuation as determined using the following actuarial assumptions.

- Investment Return (net of admin expense): 7.65%
- Admin Expense as a % of Payroll: 0.23%
- General Wage Growth (includes inflation at 2.75%): 3.50%
- Merit Increases: 0% to 6.3%
- Postretirement Benefit Increases:
 - Guaranteed Annual Benefit Adjustment (GABA)
 - Hired on or after July 1, 1997, or those electing GABA, and has been retired for at least 12 months, the member’s benefit increases by 3% each January
 - Minimum Benefit Adjustment (non-GABA)
 - Hired before July 1, 1997 and member did not elect GABA – the minimum benefit adjustment is provided equal to 50% of the current base compensation of a newly confirmed active firefighter of the employer that last employed the member as a firefighter
- Mortality assumptions among contributing members, terminated vested members, service retired members and beneficiaries based on RP 2000 Combined Employee and Annuitant Mortality Tables projected to 2020 using Scale BB, males set back 1 year.
- Mortality assumptions among Disabled Retirees are based on RP 2000 Combined Mortality Tables.

The most recent experience study, performed for the period covering fiscal years 2011 through 2016, is outlined in a report dated May 5, 2017 and can be located on the MPERA website. The long-term expected return on pension plan assets is reviewed as part of the regular experience studies prepared for the Plan. Several factors are considered in evaluating the long-term rate of return assumption including historical rates of return, rate of return assumptions adopted by similar public-sector systems, and by 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.

CITY OF LIVINGSTON, MONTANA
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

15. PENSION PLANS – FIREFIGHTERS’ UNIFIED RETIREMENT SYSTEM (FURS) (Continued)

These ranges were 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 the target asset allocation (78c & 78f) as of June 30, 2018, are summarized below.

Asset Class	Target Asset Allocation	Long-Term Expected Real Rate of Return Arithmetic Basis
Cash Equivalents	2.60%	4.00%
Domestic Equity	36.00%	4.55%
Foreign Equity	18.00%	6.35%
Fixed Income	23.40%	1.00%
Private Equity	12.00%	7.75%
Real Estate	8.00%	4.00%

Discount Rate

The discount rate used to measure the TPL was 7.65%. The projection of cash flows used to determine the discount rate assumed that contributions from participating plan members, employers, and non-employer contributing entities would be made based on the Board’s funding policy, which established the contractually required rates under the Montana Code Annotated. The state contributed 32.61% of the salaries paid by employers. Based on those assumptions, the Plan’s fiduciary net position was projected to be adequate to make all the projected future benefit payments of current plan members through the year 2134. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the TPL. A municipal bond rate was not incorporated in the discount rate.

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

The following presents the employer’s sensitivity of the NPL to the discount rate in the table below. A small change in the discount rate can create a significant change in the liability. The NPL was calculated using the discount rate of 7.65%, as well as what the NPL would be if it were calculated using a discount rate 1.00% lower or 1.00% higher than the current rate.

	1.0% Decrease (6.65%)	Current Discount Rate 7.65%	1.0% Increase (8.65%)
Employer's Net Pension Liability	\$ 1,177,970	\$ 687,285	\$ 292,030

Stand-Alone Statements

The financial statements of the Montana Public Employees Retirement Board (PERB) Comprehensive Annual Financial Report (CAFR) and the GASB 68 Report disclose the Plan’s fiduciary net position. The reports are available from the PERB at PO Box 200131, Helena MT 59620-0131, (406) 444-3154 or the MPERA website at <http://mpera.mt.gov>.

CITY OF LIVINGSTON, MONTANA
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

16. INTERLOCAL AGREEMENTS

The City and Park County entered into an agreement to fund a library for City and County residents. The City maintains the library accounting records and includes the financial activities of the library in its financial statements. The County contributed \$388,966 during fiscal year 2019.

The City and Park County entered into agreements for the City-County Law Enforcement Dispatch Center and Ambulance Services. The City provides dispatch and ambulance services to the County. During the fiscal year, the County contributed \$241,127 for ambulance and \$329,196 for dispatch services.

The City-County airport is owned and operated jointly by the City and Park County. The operation of the airport is accounted for by the County. The airport is administered by a five-member board, consisting of two City-appointed members, two County-Appointed members and one member at-large appointed by the Airport Board. The budgeted is approved by the controlling members. The Airport Board exercises control over the airport's normal operations.

17. CLASSIFICATION OF NET POSITION

In the Government-Wide Financial Statements, net position is classified in the following categories:

Net Investment in Capital Assets – This category groups all capital assets, including infrastructure in future years, into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce this category.

Restricted – This category presents external restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provision or enabling legislation. Restricted net position is presented restricted by major purpose.

Unrestricted – This category represents the net position of the City which is not restricted for any project or other purpose.

In the Fund Financial Statements, commitments and assignments segregate portions of fund balance that are either not available or have been earmarked for specific purposes. The various commitments and assignments are established by actions of the City Commission and Management and can be increased, reduced or eliminated by similar actions.

CITY OF LIVINGSTON, MONTANA
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

18. RISK MANAGEMENT

The City faces a considerable number of risks of loss, including: a. damage to and loss of property and contents, b. employee torts c. professional liability, i.e., errors and omissions d. environmental damage e. workers' compensation, i.e. employee injuries, and f. medical insurance cost of employees.

A variety of methods are used to provide insurance for these risks. Commercial policies, transferring all risks of losses, except for relatively small deductible amounts, are purchased for property and content damage, employee medical costs, and professional liabilities. The City participates in two state-wide public risk pools operated by the Montana Municipal Interlocal Authority (MMIA), for workers' compensation and for tort liability coverage. And, given the lack of coverage available, the City has no coverage for potential losses from environmental damages.

Coverage limits and the deductibles on the commercial policies have stayed relatively constant for the last several years. The premiums for the policies are allocated between the City's enterprise funds and an Insurance (Special Revenue) Fund based on total appropriations. The Insurance Fund has a special-purpose property tax levy for this purpose. Settled claims resulting from these risks did not exceed commercial insurance coverage during this fiscal year.

In 1986, the City joined together with other Montana cities to form the Montana Municipal Interlocal Authority (MMIA), which established a workers' compensation plan and a tort liability plan. Both public entity risk pools currently operate as common risk management and insurance programs for the member governments.

The liability limits for damages in tort action are \$750,000 per claim and \$1.5 million per occurrence, and \$12.5 million per occurrence for any claim that is not subject to the limitations on government liability, as described in Montana Code Annotated Section 2-9-108 (the Statute) or any successor statute, either as matter of law, by operation of the Statute, or by a judicial determination that the Statute is inapplicable or is otherwise invalid, with a \$1,500 deductible per occurrence. State tort law limits the City's liability to \$1.5 million. The City pays premiums for its employee injury insurance coverage, which is allocated to the employer funds based on total salaries and wages. The agreements for formation of the pools provide that they will be self-sustaining through member premiums.

The City also owns a policy with MMIA for loss or damage to property. This is an all risk policy, essentially all property owned by the City being insured for 100% of replacement cost, subject to a \$1,000 deductible per occurrence. MMIA reinsures their property insurance with a national municipal pool, Public Entities' Property Insurance.

CITY OF LIVINGSTON, MONTANA
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

19. MAJOR PURPOSE PRESENTATION

The table presented below displays the City's fund balances by major purpose as displayed on page II-13 of the governmental funds balance sheet. Statement 54 requires the disclosure of the purpose of each Major Special Revenue Fund.

	General Fund	Tax Increment District Downtown	Street Maintenance	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable					
Long-term interfund receivable	\$ 17,058	\$ -	\$ -	\$ -	\$ 17,058
Cemetery perpetual care	-	-	-	241,903	241,903
Total nonspendable	<u>17,058</u>	<u>-</u>	<u>-</u>	<u>241,903</u>	<u>258,961</u>
Restricted					
Public works	-	-	-	320,636	320,636
Debt service	-	-	-	379,710	379,710
Total restricted	<u>-</u>	<u>-</u>	<u>-</u>	<u>700,346</u>	<u>700,346</u>
Committed					
General government	-	1,101,563	-	668,102	1,769,665
Public safety	-	-	-	127,361	127,361
Public works	-	-	145,128	13,220	158,348
Public health	-	-	-	165	165
Culture and recreation	-	-	-	352,844	352,844
Capital projects	-	-	-	83,539	83,539
Debt service	-	-	-	25,167	25,167
Total committed	<u>-</u>	<u>1,101,563</u>	<u>145,128</u>	<u>1,270,398</u>	<u>2,517,089</u>
Unassigned	<u>1,397,720</u>	<u>-</u>	<u>-</u>	<u>(73,618)</u>	<u>1,324,102</u>
Total fund balances	<u>\$ 1,414,778</u>	<u>\$ 1,101,563</u>	<u>\$ 145,128</u>	<u>\$ 2,139,029</u>	<u>\$ 4,800,498</u>

CITY OF LIVINGSTON, MONTANA
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

20. COMMITMENTS AND CONTINGENCIES

At year-end, the City had commitments outstanding, in the form of contracts of \$799,584 for construction of the Water Reclamation Facility, \$146,996 for construction engineering services for the Water Reclamation Facility, and \$865,251 for the Phases III and IV of the Downtown Capital Improvement Plan. The City is also jointly named with Park County on a loan for Mission Field with a principal balance outstanding of \$15,500. This debt is being serviced in-full by Park County.

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determine at this time, although the City expects such amounts, if any, to be immaterial.

Carlin and Wulf v. City of Livingston et al

Nathan Wulf and Kristen Carlin have filed claims with the Montana Human Rights Bureau alleging discrimination and retaliation. Mike Lilly of Berg Lilly, PC represents the City in these cases. The actions were tried before a hearings examiner in May 2015. The hearings examiner ruled against the City on several claims, and the City of Livingston has appealed the hearing examiner's ruling. Oral arguments were held before the district court on the appeal in November of 2017. In July of 2019, the Court issued a ruling, remanding the case back to the Human Rights Bureau for further consideration.

The City is involved with numerous other lawsuits which arise out of the normal course of operations by the City. Management of the City intends to vigorously defend each claim and believes no material losses will be incurred on such claims. Although the outcome of these lawsuits is not presently determinable, in the opinion of the City's counsel the resolution of these matters will not have a material adverse effect on the financial condition of the City.

21. SUBSEQUENT EVENTS

Management has evaluated subsequent events through December 3, 2019, the date on which the financial statements were available to be issued.

C. REQUIRED SUPPLEMENTARY INFORMATION
OTHER THAN MANAGEMENT'S DISCUSSION AND ANALYSIS

OTHER POST-EMPLOYMENT HEALTHCARE BENEFITS

CITY OF LIVINGSTON, MONTANA
POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS
Year Ended June 30, 2019

SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS		
	2019	2018
Total OPEB Liability		
Service cost	\$ 61,962	\$ 82,832
Interest	37,460	49,743
Changes in benefit terms	-	-
Differences between expected and actual experience	-	(178,090)
Changes of assumptions or other inputs	-	(171,175)
Benefit payments	(41,275)	(34,885)
Net change in total OPEB liability	58,147	(251,575)
Total OPEB liability - beginning	926,637	1,178,212
Total OPEB liability - ending	\$ 984,784	\$ 926,637
Covered-employee payroll	\$ 4,184,393	\$ 4,062,517
Total OPEB liability as a percentage of covered-employee payroll	23.53%	22.81%

Schedules are intended to show information for 10 years. Additional years will be displayed as they become available.

CITY OF LIVINGSTON, MONTANA

NOTE TO RSI

**Notes to Required Supplementary Information - OPEB (Other Post-Employment Healthcare Benefits)
Year Ended June 30, 2019**

Measurement Date June 30, 2019
Valuation Date June 30, 2019
Reporting Date June 30, 2019
Measurement Period July 1, 2018 to June 30, 2019

Discount Rate 3.87% per year
 As an unfunded plan, the discount rate reflects the index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher as of the measurement date.

General Inflation 3.0% per year

Salary Increases 3.0% per year

Initial Health Coverage Claims Cost
 (including administrative expenses)

<u>Age</u>	<u>Per Participant</u>
Under age 65:	
Bridger Plan at age 60	\$ 10,786
Madison Plan at age 60	\$ 11,865
Mission plan at age 60	\$ 11,004
HDHP at age 60	\$ 12,105

Age 65 and over: Assumed to be equal to the post-65 medical premiums

The assumed claim costs were determined from the fully-pooled premiums and underlying claim experience of the OPEB Plans and actuarial age adjustment factors.

Age Based Morbidity

The assumed claim costs are assumed to increase related to age as follows:

<u>Ages</u>	<u>Rate</u>
18-29	1.00%
30-39	2.50%
40-49	3.00%
50-54	3.30%
55-59	3.60%
60-64	4.20%

Health Care Cost Trend Rates

<u>Year</u>	<u>Rate</u>
All years	5.00%

Mortality RP 2014 annuitant distinct mortality table adjusted to 2006 with MP 2017 generational projection of future mortality improvement

See Independent Auditors' Report

CITY OF LIVINGSTON, MONTANA

NOTE TO RSI (Continued)

Notes to Required Supplementary Information - OPEB (Other Post-Employment Healthcare Benefits)

Year Ended June 30, 2019

Future Retiree Participation Rate 90% for participants not yet eligible for Medicare. Upon Medicare eligibility, participation is expected to reduce by 50%. It is assumed that life insurance benefits will only be retained by retirees that elect to continue health insurance benefits with the City.

Initial Spouse Participation Rate Male Employees: 25.0%
 Female Employees: 25.0%
 Husbands are assumed to be three years older than wives.

Turnover Rates based on Fiscal Year 2011 Actuarial Valuation for statewide retirement systems:

Service	PERS	MPORS	FURS
0	25%	15%	4%
1	20%	10%	4%
2	15%	10%	2%
3	10%	10%	2%
4	10%	5%	2%
5-9	5%	5%	2%
10-14	5%	2%	2%
15 and over	2%	1%	1%

Disability None

Retirement Rates based on Fiscal Year 2011 Actuarial Valuation for statewide retirement systems:

Age	PERS:	
	Under 30 Years	30 Years or More
Under 50	0%	10%
50-54	3%	10%
55	3%	15%
56	4%	15%
57-58	5%	15%
59	6%	15%
60	8%	15%
61	15%	15%
62	25%	25%
63-64	15%	15%
65-66	30%	30%
67-69	25%	25%
70 and over	100%	100%

CITY OF LIVINGSTON, MONTANA
NOTE TO RSI (Continued)
Notes to Required Supplementary Information - OPEB (Other Post-Employment Healthcare Benefits)
Year Ended June 30, 2019

Retirement (Continued)

Age	Fire and Police:		
	Under 20 Years	20 Years or More	
		MPORS	FURS
Under 50	0%	12%	5%
50-54	3%	15%	10%
55	3%	20%	25%
56	4%	20%	25%
57-58	5%	20%	25%
59	6%	20%	25%
60	8%	20%	50%
61	15%	20%	50%
62	25%	100%	50%
63-64	15%	100%	100%
65-66	30%	100%	100%
67-69	25%	100%	100%
70 and over	100%	100%	100%

Expected Remaining Service Lives

Under GASB 75, gains and losses which are amortized over future years are referred to as deferred inflows or gains, and deferred outflows or losses. Economic and demographic gains and losses and changes in the total OPEB liability due to changes in assumptions are recognized over a closed period equal to the average expected remaining service lives of all covered active and inactive members, determined as of the beginning of the measurement period. The amortization period is calculated as the weighted average of expected remaining service lives assuming zero years for all inactive members.

The amortization period for the July 1, 2017 to June 30, 2018 measurement period was determined as follows:

	Number of members as of July 1, 2017	Expected remaining service lives
Active Members	90	12.69
Inactive Members	9	-
Weighted average rounded to nearest tenth		11.5

NET PENSION LIABILITY

CITY OF LIVINGSTON, MONTANA
PUBLIC EMPLOYEES' RETIREMENT SYSTEM (PERS)
Last Six Fiscal Years

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY						
	2019	2018	2017	2016	2015	2014
Employer's proportionate share of the net pension liability associated with the employer	0.15270%	0.20900%	0.20820%	0.21487%	0.22315%	0.23150%
Employer's proportionate share of the net pension liability	\$ 3,186,417	\$ 4,070,772	\$ 3,547,026	\$ 3,003,553	\$ 2,780,478	\$ 3,578,048
State of MT proportionate share of the net pension liability associated with the employer	1,068,307	54,255	43,341	36,894	33,954	43,693
Total	\$ 4,254,724	\$ 4,125,027	\$ 3,590,367	\$ 3,040,447	\$ 2,814,432	\$ 3,621,741
Employer's covered payroll	\$ 2,510,532	\$ 2,592,832	\$ 2,494,335	\$ 2,507,530	\$ 2,526,058	Not available
Employer's proportionate share of the net pension liability as of its covered payroll	126.92%	157.00%	142.20%	119.78%	110.07%	Not available
Plan fiduciary net position as a percent of the total pension liability	73.47%	73.75%	74.71%	78.40%	79.87%	Not available

SCHEDULE OF CONTRIBUTIONS						
	2019	2018	2017	2016	2015	2014
Contractually required contributions	\$ 227,656	\$ 212,658	\$ 217,022	\$ 215,355	\$ 213,108	\$ 212,294
Contributions in relation to the contractually required contributions	\$ 227,656	\$ 212,658	\$ 217,022	\$ 215,355	\$ 213,108	\$ 212,294
Contribution deficiency (excess)	-	-	-	-	-	-
Employer's covered payroll	\$ 2,656,421	\$ 2,510,532	\$ 2,592,832	\$ 2,494,335	\$ 2,507,530	\$ 2,526,058
Contributions of covered payroll	8.57%	8.47%	8.37%	8.63%	8.50%	8.40%

Schedules are intended to show information for 10 years. Additional years will be displayed as they become available.

CITY OF LIVINGSTON, MONTANA
NOTE TO RSI
Notes to Required Supplementary Information - Public Employees' Retirement System (PERS)
Year Ended June 30, 2019

Changes of Benefit Terms

The following changes to the plan provision were made as identified:

2017 Legislative Changes:

Working Retiree Limitations - for PERS

Effective July 1, 2017, if a PERS retiree returns as an independent contractor to what would otherwise be PERS-covered employment, general contractor overhead costs are excluded from PERS working retiree limitations.

Refunds

- 1) Terminating members eligible to retire may, in lieu of receiving a monthly retirement benefit, refund their accumulated contributions in a lump sum.
- 2) Terminating members with accumulated contributions between \$200 and \$1,000 who wish to rollover their refund must do so within 90 days of termination of service.
- 3) Trusts, estates, and charitable organizations listed as beneficiaries are entitled to receive only a lump-sum payment.

Interest credited to member accounts

Effective July 1, 2017, lump-sum payouts in all systems are limited to the member's accumulated contribution rate than the present value of the member's benefit.

Disabled PERS Defined Contribution (DC) Members

PERS members hired after July 1, 2011 have a normal retirement after age 65. PERS DC members hired after July 1, 2011 who became disabled were previously only eligible for a disability benefit until age 65. Effective July 1, 2017, these individuals will be eligible for a disability benefit until they reach 70, thus ensuring the same 5-year time period available to PERS DC disabled members hired prior to July 1, 2011 who have a normal retirement age of 60 and are eligible for a disability benefit until age 65.

Changes in Actuarial Assumptions and Methods

Method and assumptions used in calculations of actuarially determined contributions

The following Actuarial Assumptions were adopted from June 2016 Experience Study:

General Wage Growth*	3.50%
Investment Rate of Return*	7.65%
*Includes inflation at	2.75%
Merit salary increased	0% to 6.30%
Asset valuation method	4-year smoothed market
Actuarial cost method	Entry age Normal
Amortization method	Level percentage of payroll, open
Remaining amortization period	30 years
Mortality (Healthy Members)	For Males and Females: RP 2000 Combined Employee and Annuitant Mortality Table projected to 2020 using Scale BB, males set back 1 year
Mortality (Disabled members)	For Males and Females: RP 2000 Combined Mortality Table
Admin Expense as % of Payroll	0.26%

Administrative expenses are recognized by an additional amount added to the normal cost contribution rate for the System. This amount varies from year to year based on the prior year's actual administrative expenses.

CITY OF LIVINGSTON, MONTANA
MUNICIPAL POLICE OFFICERS' RETIREMENT SYSTEM (MPORS)
Last Six Fiscal Years

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY						
	2019	2018	2017	2016	2015	2014
Employer's proportionate share of the net pension liability associated with the employer	0.44450%	0.41760%	0.41400%	0.43748%	0.46022%	0.46022%
Employer's proportionate share of the net pension liability	\$ 761,289	\$ 743,016	\$ 745,225	\$ 723,685	\$ 723,175	\$ 823,956
State of MT proportionate share of the net pension liability associated with the employer	1,556,226	1,514,389	\$ 1,479,303	\$ 1,466,255	\$ 1,460,901	\$ 1,664,490
Total	\$ 2,317,515	\$ 2,257,405	\$ 2,224,528	\$ 2,189,940	\$ 2,184,076	\$ 2,488,446
Employer's covered payroll	\$ 701,658	\$ 624,530	\$ 584,407	\$ 605,483	\$ 617,498	Not available
Employer's proportionate share of the net pension liability as of its covered payroll	108.50%	118.97%	127.52%	119.52%	117.11%	Not available
Plan fiduciary net position as a percent of the total pension liability	70.95%	68.34%	65.62%	66.90%	67.00%	Not available

SCHEDULE OF CONTRIBUTIONS						
	2019	2018	2017	2016	2015	2014
Contractually required contributions	\$ 103,074	\$ 104,945	\$ 89,995	\$ 85,713	\$ 85,344	\$ 89,782
Contributions in relation to the contractually required contributions	\$ 103,074	\$ 104,945	\$ 89,995	\$ 85,713	\$ 85,344	\$ 89,782
Contribution deficiency (excess)	-	-	-	-	-	-
Employer's covered payroll	\$ 715,290	\$ 701,658	\$ 624,530	\$ 584,407	\$ 605,483	\$ 617,498
Contributions of covered payroll	14.41%	14.96%	14.41%	14.67%	14.10%	14.54%

Schedules are intended to show information for 10 years. Additional years will be displayed as they become available.

CITY OF LIVINGSTON, MONTANA
NOTE TO RSI
Notes to Required Supplementary Information - Municipal Police Officers' Retirement System (MPORS)
Year Ended June 30, 2019

Changes of Benefit Terms

The following changes to the plan provision were made as identified:

2017 Legislative Changes:

Working Retiree Limitations - for MPORS

- 1) Applies to retirement system members who return on or after July 1, 2017 to covered employment in the system from which they retire
- 2) Members who return for less than 480 hours in a calendar year
 - a. May not become an active member in the system; and
 - b. Are subject to a \$1 reduction in their retirement benefit for each \$3 earned in excess of \$5,000 in the calendar year.
- 3) Members who return for 480 or more hours in a calendar year
 - a. Must become an active member of the system
 - b. Will stop receiving a retirement benefit from the system; and
 - c. Will be eligible for a second retirement benefit if they earn 5 or more years of service credit through their second employment.
- 4) Employee, employer and state contributions, if any apply as follows
 - a. Employer contributions and state contributions (if any) must be paid on all working retirees;
 - b. Employee contributions must be paid on working retirees who return to covered employment for 480 or more hours in a calendar year.

Second Retirement Benefit - for MPORS

- 1) Applies to retirement system members who return on or after July 1, 2017 to active service covered by the system from which they retired.
- 2) If the member works more than 480 hours in a calendar year and accumulates less than 5 years of service credit before terminating again, the member:
 - a. Is not awarded service credit for the period of reemployment;
 - b. Is refunded the accumulated contributions associated with the period of reemployment;
 - c. Starting the first month following termination of service, receives the same retirement benefit previously paid to the member; and
 - d. Does not accrue post-retirement benefit adjustments during the term of reemployment but receives a Guaranteed Annual Benefit Adjustment (GABA) in January immediately following second retirement.
- 3) If the member works more than 480 hours in a calendar year and accumulates less than 5 years of service credit before terminating again, the member:
 - a. Is awarded service credit for the period of reemployment;
 - b. Starting the first month following termination of service, receives:
 - i. The same retirement benefit previously paid to the member, and
 - ii. A second retirement benefit for the period of reemployment calculated based on the laws in effect as of the member's rehire date; and
 - c. Does not accrue post-retirement benefit adjustments during the term of reemployment but receives a GABA:
 - i. On the initial retirement benefit in January immediately following second retirement, and
 - ii. On the second retirement benefit starting in January after receiving that benefit for at least 12 months.
- 4) A member who returns to covered service is not eligible for a disability benefit.

Refunds

- 1) Terminating members eligible to retire may, in lieu of receiving a monthly retirement benefit, refund their accumulated contributions in a lump sum.
- 2) Terminating members with accumulated contributions between \$200 and \$1,000 who wish to rollover their refund must do so within 90 days of termination of service.
- 3) Trusts, estate, and charitable organizations listed as beneficiaries are entitled to receive only a lump-sum payment.

Interest credited to member accounts

Effective July 1, 2017, the interest rate credited to member accounts increase from 0.25% to 0.77%

CITY OF LIVINGSTON, MONTANA
NOTE TO RSI (Continued)
Notes to Required Supplementary Information - Municipal Police Officers' Retirement System (MPORS)
Year Ended June 30, 2019

Lump-sum payouts

Effective July 1, 2017, lump-sum payouts in all systems are limited to the member's accumulated contributions rate than the present value of the member's benefit.

Changes in Actuarial Assumptions and Methods

Method and assumptions used in calculations of actuarially determined contributions

The following Actuarial Assumptions were adopted from the June 30, 2017 actuarial valuation:

General Wage Growth*	3.50%
Investment Rate of Return	7.65%
*Includes inflation at	2.75%
Merit salary increases	0% to 6.60%
Asset valuation method	Four-year smoothed market
Actuarial cost method	Entry Age Normal
Amortization method	Level percentage of pay, open
Mortality (Health members)	For Males and Females: RP 2000 Combined Employee and Annuitant Mortality Table projected to 2020 using Scale BB, males set back 1 year
Mortality (Disabled members)	For Males and Females: RP 2000 Combined Mortality Table
Admin Expense as % of Payroll	0.24%

Administrative expenses are recognized by an additional amount added to the normal cost contribution rate for the System. This amount varies from year to year based on the prior year's actual administrative expenses.

CITY OF LIVINGSTON, MONTANA
FIREFIGHTERS' UNIFIED RETIREMENT SYSTEM (FURS)
Last Six Fiscal Years

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY						
	2019	2018	2017	2016	2015	2014
Employer's proportionate share of the net pension liability associated with the employer	0.5967%	0.5964%	0.6146%	0.6135%	0.6361%	0.6361%
Employer's proportionate share of the net pension liability	\$ 687,285	\$ 674,153	\$ 701,961	\$ 627,422	\$ 620,913	\$ 794,731
State of MT proportionate share of the net pension liability associated with the employer	1,571,515	1,530,932	\$ 1,590,422	\$ 1,397,436	\$ 1,400,749	\$ 1,792,875
Total	\$ 2,258,800	\$ 2,205,085	\$ 2,292,383	\$ 2,024,858	\$ 2,021,662	\$ 2,587,606
Employer's covered payroll	\$ 939,843	\$ 897,400	\$ 865,474	\$ 824,391	\$ 826,239	Not available
Employer's proportionate share of the net pension liability as of its covered payroll	73.13%	75.12%	81.11%	76.11%	75.15%	Not available
Plan fiduciary net position as a percent of the total pension liability	79.03%	77.77%	75.48%	76.90%	76.70%	Not available

SCHEDULE OF CONTRIBUTIONS						
	2019	2018	2017	2016	2015	2014
Contractually required contributions	\$ 143,120	\$ 138,330	\$ 128,034	\$ 123,740	\$ 120,686	\$ 119,419
Contributions in relation to the contractually required contributions	\$ 143,120	\$ 138,330	\$ 128,034	\$ 123,740	\$ 120,686	\$ 119,419
Contribution deficiency (excess)	-	-	-	-	-	-
Employer's covered payroll	\$ 996,655	\$ 939,843	\$ 897,400	\$ 865,474	\$ 824,391	\$ 826,239
Contributions of covered payroll	14.36%	14.72%	14.27%	14.30%	14.64%	14.45%

Schedules are intended to show information for 10 years. Additional years will be displayed as they become available.

CITY OF LIVINGSTON, MONTANA
NOTE TO RSI
Notes to Required Supplementary Information - Firefighters' Unified Retirement System (FURS)
Year Ended June 30, 2019

Changes of Benefit Terms

The following changes to the plan provision were made as identified:

2017 Legislative Changes:

Working Retiree Limitations - For FURS

- 1) Applies to retirement system member who return on or after July 1, 2017 to covered employment in the system from which they retired.
- 2) Members who return for less than 480 hours in a calendar year:
 - a. May not become an an active mender in the system; and
 - b. Are subject to a \$1 reduction in their retirement benefit for each \$3 earned in excess of \$5,000 in the calendar year.
- 3) Members who return for 480 or more hours in a calendar year:
 - a. Must become an active member of the system;
 - b. Will stop receiving a retirement benefit from the system; and
 - c. Will be eligible for a second retirement benefit if they earn 5 or more years of service credit through their second employment.
- 4) Employee, employer and state contributions, if any, apply as follows:
 - a. Employer contributions and state contributions (if any) must be paid on all working retiree;
 - b. Employee contributions must be paid on working retirees who return to covered employment for 480 or more hours in a calendar year.

Second Retirement Benefit - for FURS

- 1) Applies to retirement system members who return on or after July 1, 2017 to active service covered by the system from which they retired.
- 2) If the member works more than 480 hours in a calendar year and accumulates less than 5 years of service credit before terminating again, the member:
 - a. Is not awarded service credit for the period of reemployment;
 - b. Is refunded the accumulated contributions associated with the period of reemployment;
 - c. Starting the first month following terminating of service, receives the same retirement benefit previously paid to the member; and
 - d. Does not accrue post-retirement benefit adjustment during the term of reemployment benefit but receives a Guaranteed Annual Benefit Adjustment (GABA) in January immediately following second retirement.
- 3) If the member works more than 480 hours in a calendar year and accumulates at least 5 years of service credit before terminating again, the member:
 - a. Is awarded service credit for the period of reemployment;
 - b. Starting the first month following termination of service, receives:
 - i. The same retirement benefit previously paid to the member, and
 - ii. A second retirement benefit for the period of reemployment calculated based on the laws in effect as of the member's rehire date; and
 - c. Does not accrue post-retirement benefit adjustments during the term of reemployment but receives a GABA:
 - i. On the initial retirement benefit in January immediately following second retirement, and
 - ii. On the second retirement benefit starting in January after receiving that benefit for at least 12 months.
- 4) A member who returns to covered service is not eligible for a disability benefit.

Refunds

- 1) Terminating members eligible to retire may, in lieu of receiving a monthly retirement benefit, refund their accumulated contribution in a lump sum.
- 2) Terminating members with accumulated contributions between \$200 and \$1,000 who wish to rollover their refund must do so within 90 days of termination of service.
- 3) Trusts, estates, and charitable organizations listed as beneficiaries are intitled to receive only a lump-sum payment.

Interest credited to member accounts

Effective July 1, 2017, the interest rate credited to member accounts increase from 0.25% to 0.77%

See Independent Auditors' Report

CITY OF LIVINGSTON, MONTANA
NOTE TO RSI (Continued)
Notes to Required Supplementary Information - Firefighters' Unified Retirement System (FURS)
Year Ended June 30, 2019

Lump-sum payouts

Effective July 1, 2017, lump-sum payouts in all systems are limited to the member's accumulated contributions rate than the present value of the member's benefit.

Changes in Actuarial Assumptions and Methods

Method and assumptions used in calculations of actuarially determined contributions

The following Actuarial Assumptions are adopted from the June 30, 2017 actuarial valuation:

General Wage Growth*	3.50%
Investment Rate of Return*	7.65%
*Includes inflation at	2.75%
Merit salary increase	0% to 6.3%
Asset valuation method	Four-year smoothed market
Actuarial cost method	Entry Age Normal
Amortization method	Level percentage of pay, open
Mortality (Health members)	For Males and Females: RP 2000 Combined Employee and Annuitant Mortality Table projected to 2020 using Scale BB, males set back 1 year.
Mortality (Disabled members)	For Males and Females: RP 2000 Combined Mortality Table
Admin Expense as % of Payroll	0.23%

Administrative expenses are recognized by an additional amount added to the normal cost contribution rate for the System. This amount varies from year to year based on the prior year's actual administrative expenses.

BUDGETARY COMPARISON SCHEDULES

CITY OF LIVINGSTON, MONTANA
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive (Negative)
Budgetary fund balance, July 1	\$ 743,980	\$ 743,980	\$ 743,980	\$ -
Resources (inflows):				
Taxes	1,985,817	2,312,601	2,332,215	19,614
Special assessments	-	-	-	-
Licenses and permits	263,700	263,700	323,768	60,068
Intergovernmental	1,158,755	1,605,635	1,744,746	139,111
Charges for services	126,550	126,550	137,195	10,645
Fines and forfeitures	109,500	109,500	131,036	21,536
Proceeds from long-term debt	-	-	-	-
Sale of assets	-	-	-	-
Interest on investments	2,500	2,600	4,859	2,259
Loan repayment	-	-	-	-
Transfers from other funds	642,792	941,637	1,097,375	155,738
Other	22,000	22,000	104,992	82,992
Amounts available for appropriation	5,055,594	6,128,203	6,620,166	491,963
Charges to appropriations (outflows):				
Current				
General government	1,067,551	1,191,871	1,173,985	17,886
Public safety	1,859,918	2,731,075	2,548,010	183,065
Public works	403,380	466,142	416,135	50,007
Public health	129,190	140,631	114,807	25,824
Culture and recreation	380,936	431,327	480,864	(49,537)
Other	1,000	3,750	-	3,750
Capital outlay	115,300	115,300	98,135	17,165
Debt service	10,100	10,100	10,026	74
Transfers to other funds	310,197	310,197	363,426	(53,229)
Total charges to appropriations	4,277,572	5,400,393	5,205,388	195,005
Budgetary fund balance, June 30	\$ 778,022	\$ 727,810	\$ 1,414,778	\$ 686,968

See the Independent Auditors' Report.

CITY OF LIVINGSTON, MONTANA
BUDGETARY COMPARISON SCHEDULE - TAX INCREMENT DISTRICT DOWNTOWN SPECIAL REVENUE FUND
Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive (Negative)
Budgetary fund balance, July 1	\$ 291,236	\$ 291,236	\$ 291,236	\$ -
Resources (inflows):				
Taxes	163,680	163,680	194,313	30,633
Special assessments	6,480	6,480	-	(6,480)
Licenses and permits	-	-	-	-
Intergovernmental	40,967	40,967	40,967	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Proceeds from long-term debt	-	2,015,000	2,046,080	31,080
Sale of assets	-	-	-	-
Interest on investments	1,500	1,500	5,496	3,996
Loan repayment	-	-	-	-
Transfers from other funds	-	-	-	-
Other	-	-	-	-
Amounts available for appropriation	503,863	2,518,863	2,578,092	59,229
Charges to appropriations (outflows):				
Current				
General government	250	250	28,933	(28,683)
Public safety	-	-	-	-
Public works	-	-	-	-
Public health	-	-	-	-
Culture and recreation	-	-	-	-
Other	-	-	-	-
Capital outlay	90,250	1,340,268	1,250,018	90,250
Debt service	-	197,578	197,578	-
Transfers to other funds	-	-	-	-
Total charges to appropriations	90,500	1,538,096	1,476,529	61,567
Budgetary fund balance, June 30	\$ 413,363	\$ 980,767	\$ 1,101,563	\$ 120,796

See the Independent Auditors' Report.

CITY OF LIVINGSTON, MONTANA
BUDGETARY COMPARISON SCHEDULE - STREET MAINTENANCE SPECIAL REVENUE FUND
Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive (Negative)
Budgetary fund balance, July 1	\$ 195,556	\$ 195,556	\$ 195,556	\$ -
Resources (inflows):				
Taxes	-	-	-	-
Special assessments	1,030,607	1,030,607	1,015,654	(14,953)
Licenses and permits	15,000	15,000	13,231	(1,769)
Intergovernmental	-	-	289	289
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Proceeds from long-term debt	-	-	219,269	219,269
Sale of assets	-	-	-	-
Interest on investments	500	500	(463)	(963)
Loan repayment	-	-	-	-
Transfers from other funds	-	27,600	27,600	-
Other	240,000	240,000	3,886	(236,114)
Amounts available for appropriation	1,481,663	1,509,263	1,475,022	(34,241)
Charges to appropriations (outflows):				
Current				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	528,909	568,947	552,927	16,020
Public health	-	-	-	-
Culture and recreation	-	-	-	-
Other	-	-	-	-
Capital outlay	498,725	628,958	606,258	22,700
Debt service	110,151	110,151	47,059	63,092
Transfers to other funds	123,647	123,647	123,650	(3)
Total charges to appropriations	1,261,432	1,431,703	1,329,894	101,809
Budgetary fund balance, June 30	\$ 220,231	\$ 77,560	\$ 145,128	\$ 67,568

See the Independent Auditors' Report.

**CITY OF LIVINGSTON, MONTANA
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI**

**Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures
Year Ended June 30, 2019**

	<u>General Fund</u>	<u>Tax Increment District Downtown</u>	<u>Street Maintenance</u>
Sources/inflows of resources			
Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule	\$ 6,620,166	\$ 2,578,092	\$ 1,475,022
Differences - budget to GAAP:			
The fund balance at the beginning of the year is a budgetary resource but is not a current-year revenue for financial reporting purposes.	(743,980)	(291,236)	(195,556)
Transfers from other funds are inflows of budgetary resources but are not <i>revenues</i> for financial reporting purposes.	(1,097,375)	-	(27,600)
The proceeds from the issuance of long-term debt are budgetary resources but are not <i>revenues</i> for financial reporting purposes.	-	(2,046,080)	(219,269)
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u><u>\$ 4,778,811</u></u>	<u><u>\$ 240,776</u></u>	<u><u>\$ 1,032,597</u></u>
Uses/outflows of resources			
Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	\$ 5,205,388	\$ 1,476,529	\$ 1,329,894
Differences - budget to GAAP:			
Transfers to other funds are outflows of budgetary resources but are not <i>expenditures</i> for financial reporting purposes.	(363,426)	-	(123,650)
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u><u>\$ 4,841,962</u></u>	<u><u>\$ 1,476,529</u></u>	<u><u>\$ 1,206,244</u></u>

See the Independent Auditors' Report.

D. SUPPLEMENTAL INFORMATION

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Comprehensive Liability Insurance: Subject to MCA 15-10-420, the City may levy an annual property tax in the amount necessary to fund the contribution for insurance. The insurance premiums are for the entire City and include Liability Insurance, Insurance on buildings, vehicles, equipment, boiler insurance, and surety bonds. Deductibles are paid within the function that incurred the claim.

Soccer Fields: This fund was created to facilitate the construction of the North-side Park and Soccer Complex. This project is a partnership between the City and the Livingston Youth Soccer Association (LYSA). Funding for this project comes from donations collected by the LYSA and forwarded to the City of Livingston.

Library: The Livingston-Park County Public Library is governed by a board of trustees composed of five appointed volunteers, who may each serve two consecutive five-year terms. Two trustees are appointed by the City Commission, two by the County Commissioners, and one at-large trustee is appointed by the four city and county trustees. The library is supported jointly by the City and the County. The City of Livingston levies a property tax to support the library function.

Emergency/Disaster: On June 10, 1996 the City of Livingston declared a State of Emergency as a result of a flood of the Yellowstone River. This emergency disaster fund was created to account for the assessment of the initial emergency millage of 2 mills to cover the expenditures incurred as a result of this flood as authorized by MCA 10-3-405. In total 8.1 emergency mills were assessed on the property tax payers of Livingston over 4 fiscal years to cover the expenditures relating to the 1996 and 1997 floods of the Yellowstone River. The remaining funds shall be used only for expenditures arising from future emergencies.

Health – Sanitarian: This fund accounts for the Health/Sanitarian levy the City assesses for support of the County Sanitarian. Per MCA, if a city-county board is created, each participating city's part of the total expenses may be financed by a levy on the taxable value of all taxable property within the incorporated limits of the city after approval of a budget in the way provided for other city offices and departments under Title 7, Chapter 6, Part 40.

Dispatch/Communication: The communications department functions as the central emergency services and 911 center for Park County; receiving all calls for service and dispatching for the Livingston Police Department, Park County Sheriff's Office, Livingston Fire and Rescue, several Park County rural fire departments and many other local, state, and federal entities as needed. The communications department also maintains law enforcement and court related records and routinely retrieves NCIC/CJIN data for local law enforcement purposes. The support of the dispatch is split equally between the City of Livingston and Park County. The City of Livingston support is in the form of a transfer from the General Fund.

Tax Increment District – Downtown: The Downtown Tax Increment District was created in December of 2003 after the adoption of the Livingston Urban Renewal Agency Plan by the City Commission. The primary purpose of this District is to rehabilitate and develop identified blighted areas within the City of Livingston's Downtown area. This district measures approximately 143 acres. The sunset date for the Downtown TIF is anticipated as being December of 2018.

PERD: Pursuant to MCA 19-3-204 the City levies a tax to provide for the retirement costs of those employees enrolled in the Public Employers Retirement System (PERS). PERS, managed by the Montana Public Employees Retirement Administration, provides retirement, disability and death benefits to the State of Montana, the university system, local governments and certain school district employees.

Health Insurance: The City of Livingston's employee benefits plan is through the Montana Municipal Inter-local Authority (MMIA), managed by Allegiance Benefit Plan Management. Between this and the Permissive Medical Levy funds, these account for all costs associated with the health insurance for all employees in governmental funds. This fund is also known as the Aggregate Health Insurance Levy and is subject to the City's Mill Levy Cap.

Permissive Medical Levy: According to MCA 2-9-212, the amount of City contribution in excess of the base contribution (the level of contribution in 2000) is not subject to the mill levy cap. Levies implemented under this section must be calculated separately and are not subject to an inflation factor.

Police Pension: Similar to the PERD, the City Levies a tax to provide for the retirement cost of those employees enrolled in the Municipal Police Officers Retirement System (MPORS). MPORS provides retirement, disability and death benefits to municipal police officers employed by first- and second-class cities in Montana. MPORS is managed by the Montana Public Employees Retirement Administration.

Fire Pension: Similar to the PERD, the City Levies a tax to provide for the retirement cost of those employees enrolled in the Firefighters' Unified Retirement System (FURS). FURS retirement system provides retirement benefits to firefighters employed by first and second-class cities in Montana. FURS is also managed by the Montana Public Employees Retirement Administration.

CDBG Economic Development Revolving Fund: This fund accounts for the City's revolving loan program. The revenue source is proceeds from CDBG loan repayments.

Livingston Fire Dept/Park County Rural Fire District Training Center: This fund was established to account for the revenues generated by, and the expenditures for, the operation of the Fire Training Center, a jointly operated training facility between the City of Livingston's Fire Department and the Park County Rural Fire District.

Impact Fees: MCA 7-6-1604 provides the authority to local governments to impose impact fees on new development to fund all or a portion of the public facility capital improvements affected by the new development. In 2006 the City of Livingston adopted an ordinance which established the City's Impact Fee Policy. Expenditure out of this fund must be for capacity expanding improvements and cannot be used for the normal maintenance and operations of current facilities. The cash balance in this fund is split into four designations; Fire/EMS, Transportation, Police, and Parks/Recreation.

S.I.D. Lighting: SID Lighting, or the Light Maintenance District Fund, is a city-wide assessment whose boundaries include the entire existing town and any annexations that may occur in the future. These assessments cover the energy costs of the public lighting as well as the replacement and maintenance of those lights.

Parks Department: This fund is comprised of a number of cash accounts which support various functions of the park system. The designated cash accounts are for the Sacajawea Park, The McNair Skate Park, The Sacajawea Statue, Trees, and the Skillman Trust. This money is to be used for recreation activities that otherwise would not have been funded.

Law Enforcement: This fund was established to accommodate donations from citizens or civic groups that are intended to be used exclusively for police services, as well as court ordered assessments. In an agreement with Park County, the City maintains the Joint Equipment Fund while Park County maintains a similar fund for training. These funds may be used by both the City and County law enforcement agencies, with the expenditures being informally agreed upon.

Gas Tax Apportionment: The state collects and distributes gas tax funds to cities, towns, counties, and consolidated city-county governments. These funds are allocated based on our population. Expenditures from this fund, in excess of \$80,000 must follow applicable bidding procedures and may not be used for the purchase of capital equipment (MCA 15-7-101).

Summerfest: Summerfest is Livingston's annual outdoor music festival held the third weekend in July in Livingston with proceeds going back to the community in the form of an expanded recreation department.

Sidewalks: The mission of the District is to aid in facilitation and strengthening of commerce, provide maintenance assistance, beautify and enhance streetscapes, improve security and safety, and stimulate development and vitality in Livingston's historic downtown district. Funding is provided through an assessment on each business within the district, on a per square foot basis.

Business Improvement District: Assessments from past year's sidewalk replacements are deposited within this fund. When enough cash is accumulated, additional sidewalk replacements will be made out of this fund, generating more interest revenue.

DEBT SERVICE FUNDS

2016 Fire Truck GO Bonds: In November of 2015, the voters approved a bond election to acquire firefighting apparatus and equipment. This fund has been established to accumulate tax revenue and pay the bond payers.

2000 Fire Truck GO Bonds: In November of 1999, the voters approved a bond election to acquire firefighting equipment consisting of a 75 foot ladder truck and related equipment and a quint (fire truck) for the city. The pay off date for these bonds is July 2020.

West End Tax Increment District: This fund accounts for the financial activity of the West End Tax Increment District. The payoff date on these bonds is July of 2025.

S.I.D. Revolving: The City has established a Special Improvement District Revolving Fund to secure the payment of its special improvement district bonds. At the time of issuance, state law allows the City to deposit at least 5%, but no more than 10% into this fund. This fund is used to secure prompt payment of any special improvement district bonds should there not be a sufficient balance in the Special Improvement District Funds.

S.I.D. 179: Accounts for the resources accumulated and payments made for principal and interest on special improvement debt.

S.I.D. 180: SID 180 was created in April of 2008 for the purpose of installing Sewer Mains in the area of Carol Lane. The final property owner assessments will be collected in June of 2023. This special improvement district was financed by an inter-fund loan from the Park Improvement Special Revenue fund.

CAPITAL PROJECT FUNDS

Capital Improvements: This fund is used for capital purchases for non-enterprise functions. The cash balance in this fund is comprised of designated cash for the improvements to the Civic Center, Sidewalks, Dispatch, Land Lease Revenue, Fire vehicles or equipment, and for general capital improvement projects. State law requires purchases from this fund to be in excess of \$5,000 and have a life expectancy of at least 5 years.

Library Extension: This fund is for the replacement and acquisition of property, capital improvements, and equipment necessary to maintain and improve the Livingston-Park County Library.

Railroad Underpass: In September of 2008, the citizens of Livingston approved a ballot measure allowing the City to levy a maximum of 11.25 mills for 5 years for the creation of a Railroad Underpass on the West side of Livingston. This levy will allow the City to complete the preliminary engineering known as Phase One.

Fire Truck Bond Proceeds: In November of 2015, the voters approved a bond election to acquire firefighting apparatus and equipment. This fund has been established to accumulate those costs for equipment as well as the bond proceeds. Once debt service has begun, a debt service fund will be utilized to accumulate tax revenue and pay the bond holders.

PERMANENT FUNDS

Perpetual Cemetery Care: The Perpetual Cemetery Card fund is used to account for 50% of cemetery plot sales which are dedicated to the perpetual care of the cemetery. The interest income from the trust is transferred to the general fund for use in maintaining the City's cemetery.

CITY OF LIVINGSTON, MONTANA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2019

	Special Revenue Funds					
	Comprehensive Liability Insurance	Soccer Fields	Library	Emergency/ Disaster	Health- Sanitarian	Dispatch/ Communication
ASSETS						
Current assets						
Cash and cash equivalents	\$ 9,297	\$ -	\$ 141,188	\$ -	\$ -	\$ 1
Receivables						
Property taxes	2,547	-	1,891	-	-	-
Other	-	-	-	-	-	950
Special assessments	-	-	-	-	-	-
Other governments	14,917	-	144,721	-	-	102,548
Due from other City funds	-	-	-	-	-	-
Notes receivable	-	-	-	-	-	-
Restricted cash and cash equivalents	-	-	-	-	-	-
Total current assets	<u>26,761</u>	<u>-</u>	<u>287,800</u>	<u>-</u>	<u>-</u>	<u>103,499</u>
Other assets						
Due from other City funds	-	-	-	-	-	-
Total assets	<u><u>\$ 26,761</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 287,800</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 103,499</u></u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ -	\$ -	\$ 4,768	\$ -	\$ -	\$ 2,031
Advances	-	-	-	-	-	-
Due to other City funds	-	-	-	-	-	78,800
Total liabilities	<u>-</u>	<u>-</u>	<u>4,768</u>	<u>-</u>	<u>-</u>	<u>80,831</u>
Deferred inflows of resources:						
Deferred inflows of tax revenues	2,547	-	1,891	-	-	-
Deferred inflows of special assessments	-	-	-	-	-	-
Total deferred inflows of resources	<u>2,547</u>	<u>-</u>	<u>1,891</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:						
Nonspendable	-	-	-	-	-	-
Restricted	-	-	-	-	-	-
Committed	24,214	-	281,141	-	-	22,668
Unassigned	-	-	-	-	-	-
Total fund balances	<u>24,214</u>	<u>-</u>	<u>281,141</u>	<u>-</u>	<u>-</u>	<u>22,668</u>
Total liabilities, deferred inflows of resources and fund balances	<u><u>\$ 26,761</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 287,800</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 103,499</u></u>

(continued)

See the Independent Auditors' Report.

CITY OF LIVINGSTON, MONTANA
COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2019

	Special Revenue Funds					
	PERD	Health Insurance	Permissive Medical Levy	Police Pension	Fire Pension	CDBG Economic Development Revolving
ASSETS						
Current assets						
Cash and cash equivalents	\$ -	\$ -	\$ 6	\$ -	\$ -	\$ 900
Receivables						
Property taxes	-	-	3,976	-	-	-
Other	-	-	-	-	-	614,674
Special assessments	-	-	-	-	-	-
Other governments	-	-	31,948	-	-	-
Due from other City funds	-	-	-	-	-	-
Notes receivable	-	-	-	-	-	114,057
Restricted cash and cash equivalents	-	-	-	-	-	-
Total current assets	-	-	35,930	-	-	729,631
Other assets						
Due from other City funds	-	-	-	-	-	-
Total assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 35,930</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 729,631</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Advances	-	-	-	-	-	114,057
Due to other City funds	-	-	-	-	-	-
Total liabilities	-	-	-	-	-	114,057
Deferred inflows of resources:						
Deferred inflows of tax revenues	-	-	3,976	-	-	-
Deferred inflows of special assessments	-	-	-	-	-	-
Total deferred inflows of resources	-	-	3,976	-	-	-
Fund balances:						
Nonspendable	-	-	-	-	-	-
Restricted	-	-	-	-	-	-
Committed	-	-	31,954	-	-	615,574
Unassigned	-	-	-	-	-	-
Total fund balances	-	-	31,954	-	-	615,574
Total liabilities, deferred inflows of resources and fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 35,930</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 729,631</u>

(continued)

See the Independent Auditors' Report.

CITY OF LIVINGSTON, MONTANA
COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2019

	Special Revenue Funds				
	Impact Fees	S.I.D. Lighting	Parks Department	Law Enforcement	Gas Tax Apportionment
ASSETS					
Current assets					
Cash and cash equivalents	\$ 217,146	\$ 74,013	\$ 70,032	\$ 6,486	\$ 105,746
Receivables					
Property taxes	-	-	-	-	-
Other	-	-	-	-	-
Special assessments	-	1,813	-	-	-
Other governments	-	16,728	-	-	-
Due from other City funds	-	-	-	-	-
Notes receivable	-	-	-	-	-
Restricted cash and cash equivalents	-	-	-	-	-
Total current assets	<u>217,146</u>	<u>92,554</u>	<u>70,032</u>	<u>6,486</u>	<u>105,746</u>
Other assets					
Due from other City funds	-	-	-	-	-
Total assets	<u>\$ 217,146</u>	<u>\$ 92,554</u>	<u>\$ 70,032</u>	<u>\$ 6,486</u>	<u>\$ 105,746</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 2,256
Advances	-	-	-	-	-
Due to other City funds	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,256</u>
Deferred inflows of resources:					
Deferred inflows of tax revenues	-	-	-	-	-
Deferred inflows of special assessments	-	1,813	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>1,813</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:					
Nonspendable	-	-	-	-	-
Restricted	217,146	-	-	-	103,490
Committed	-	90,741	70,032	6,486	-
Unassigned	-	-	-	-	-
Total fund balances	<u>217,146</u>	<u>90,741</u>	<u>70,032</u>	<u>6,486</u>	<u>103,490</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 217,146</u>	<u>\$ 92,554</u>	<u>\$ 70,032</u>	<u>\$ 6,486</u>	<u>\$ 105,746</u>

(continued)

See the Independent Auditors' Report.

CITY OF LIVINGSTON, MONTANA
COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2019

Special Revenue Funds				
	Summerfest	Sidewalks	Business Improvement District	Total
ASSETS				
Current assets				
Cash and cash equivalents	\$ -	\$ 5	\$ 12,318	\$ 637,138
Receivables				
Property taxes	-	-	-	8,414
Other	-	6,394	-	622,018
Special assessments	-	131,971	714	134,498
Other governments	-	9,030	6,564	326,456
Due from other City funds	-	-	-	-
Notes receivable	-	-	-	114,057
Restricted cash and cash equivalents	-	-	-	-
Total current assets	-	147,400	19,596	1,842,581
Other assets				
Due from other City funds	-	-	-	-
Total assets	<u>\$ -</u>	<u>\$ 147,400</u>	<u>\$ 19,596</u>	<u>\$ 1,842,581</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ 9,055
Advances	-	-	-	114,057
Due to other City funds	-	80,120	-	158,920
Total liabilities	-	80,120	-	282,032
Deferred inflows of resources:				
Deferred inflows of tax revenues	-	-	-	8,414
Deferred inflows of special assessments	-	131,971	714	134,498
Total deferred inflows of resources	-	131,971	714	142,912
Fund balances:				
Nonspendable	-	-	-	-
Restricted	-	-	-	320,636
Committed	-	-	18,882	1,161,692
Unassigned	-	(64,691)	-	(64,691)
Total fund balances	-	(64,691)	18,882	1,417,637
Total liabilities, deferred inflows of resources and fund balances	<u>\$ -</u>	<u>\$ 147,400</u>	<u>\$ 19,596</u>	<u>\$ 1,842,581</u>

(continued)

See the Independent Auditors' Report.

CITY OF LIVINGSTON, MONTANA
COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2019

Debt Service Funds				
	2016	2000	West End	
	Fire Truck	Fire Truck	Tax Increment	S.I.D.
	GO Bonds	GO Bonds	District	Revolving
ASSETS				
Current assets				
Cash and cash equivalents	\$ 27,165	\$ 13,904	\$ 164,011	\$ 14,867
Receivables				
Property taxes	973	782	-	-
Other	-	-	-	-
Special assessments	-	-	-	-
Other governments	6,730	3,107	46,026	-
Due from other City funds	-	-	-	9,260
Notes receivable	-	-	-	-
Restricted cash and cash equivalents	-	-	98,667	-
	<u>34,868</u>	<u>17,793</u>	<u>308,704</u>	<u>24,127</u>
Other assets				
Due from other City funds	-	-	-	-
	<u>\$ 34,868</u>	<u>17,793</u>	<u>\$ 308,704</u>	<u>\$ 24,127</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Advances	-	-	-	-
Due to other City funds	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	-	-	-	-
Deferred inflows of resources:				
Deferred inflows of tax revenues	973	782	-	-
Deferred inflows of special assessments	-	-	-	-
	<u>973</u>	<u>782</u>	<u>-</u>	<u>-</u>
Fund balances:				
Nonspendable	-	-	-	-
Restricted	33,895	17,011	308,704	20,100
Committed	-	-	-	4,027
Unassigned	-	-	-	-
	<u>33,895</u>	<u>17,011</u>	<u>308,704</u>	<u>24,127</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 34,868</u>	<u>\$ 17,793</u>	<u>\$ 308,704</u>	<u>\$ 24,127</u>

(continued)

CITY OF LIVINGSTON, MONTANA
COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2019

	Debt Service Funds		
	S.I.D. 179	S.I.D. 180	Total
ASSETS			
Current assets			
Cash and cash equivalents	21,140	\$ 5	\$ 241,092
Receivables			
Property taxes	-	-	1,755
Other		-	-
Special assessments	204,762	13,884	218,646
Other governments	-	328	56,191
Due from other City funds		-	9,260
Notes receivable	-	-	-
Restricted cash and cash equivalents	-	-	98,667
Total current assets	<u>225,902</u>	<u>14,217</u>	<u>625,611</u>
Other assets			
Due from other City funds	-	-	-
Total assets	<u>\$ 225,902</u>	<u>\$ 14,217</u>	<u>\$ 625,611</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ -	\$ -	\$ -
Advances	-	-	-
Due to other City funds	-	9,260	9,260
Total liabilities	<u>-</u>	<u>9,260</u>	<u>9,260</u>
Deferred inflows of resources:			
Deferred inflows of tax revenues	-	-	1,755
Deferred inflows of special assessments	204,762	13,884	218,646
Total deferred inflows of resources	<u>204,762</u>	<u>13,884</u>	<u>220,401</u>
Fund balances:			
Nonspendable	-	-	-
Restricted	-	-	379,710
Committed	21,140	-	25,167
Unassigned	-	(8,927)	(8,927)
Total fund balances	<u>21,140</u>	<u>(8,927)</u>	<u>395,950</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 225,902</u>	<u>\$ 14,217</u>	<u>\$ 625,611</u>

(continued)

CITY OF LIVINGSTON, MONTANA
COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2019

Capital Project Funds					
	Capital Improvements	Library Extension	Railroad Underpass	Fire Truck Bond Proceeds	Total
ASSETS					
Current assets					
Cash and cash equivalents	\$ 8,435	\$ 25,097	\$ 50,007	\$ -	\$ 83,539
Receivables					
Property taxes	-	-	547	-	547
Other	-	-	-	-	-
Special assessments	-	-	-	-	-
Other governments	-	-	-	-	-
Due from other City funds	-	-	-	-	-
Notes receivable	-	-	-	-	-
Restricted cash and cash equivalents	-	-	-	-	-
Total current assets	<u>8,435</u>	<u>25,097</u>	<u>50,554</u>	<u>-</u>	<u>84,086</u>
Other assets					
Due from other City funds	-	-	-	-	-
Total assets	<u>\$ 8,435</u>	<u>\$ 25,097</u>	<u>\$ 50,554</u>	<u>\$ -</u>	<u>\$ 84,086</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Advances	-	-	-	-	-
Due to other City funds	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred inflows of resources:					
Deferred inflows of tax revenues	-	-	547	-	547
Deferred inflows of special assessments	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>547</u>	<u>-</u>	<u>547</u>
Fund balances:					
Nonspendable	-	-	-	-	-
Restricted	-	-	-	-	-
Committed	8,435	25,097	50,007	-	83,539
Unassigned	-	-	-	-	-
Total fund balances	<u>8,435</u>	<u>25,097</u>	<u>50,007</u>	<u>-</u>	<u>83,539</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 8,435</u>	<u>\$ 25,097</u>	<u>\$ 50,554</u>	<u>\$ -</u>	<u>\$ 84,086</u>

(continued)

CITY OF LIVINGSTON, MONTANA
COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2019

	<u>Permanent Fund</u>	<u>Total Nonmajor Governmental Funds</u>
	<u>Perpetual Cemetery Care</u>	
ASSETS		
Current assets		
Cash and cash equivalents	\$ 208,284	\$ 1,170,053
Receivables		
Property taxes	-	10,716
Other	-	622,018
Special assessments	-	353,144
Other governments	-	382,647
Due from other City funds	16,561	25,821
Notes receivable	-	114,057
Restricted cash and cash equivalents	-	98,667
	<u>224,845</u>	<u>2,777,123</u>
Total current assets		
Other assets		
Due from other City funds	<u>17,058</u>	<u>17,058</u>
Total assets	<u>\$ 241,903</u>	<u>\$ 2,794,181</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES		
Liabilities:		
Accounts payable	\$ -	\$ 9,055
Advances	-	114,057
Due to other City funds	-	168,180
	<u>-</u>	<u>291,292</u>
Total liabilities		
Deferred inflows of resources:		
Deferred inflows of tax revenues	-	10,716
Deferred inflows of special assessments	-	353,144
	<u>-</u>	<u>363,860</u>
Total deferred inflows of resources		
Fund balances:		
Nonspendable	241,903	241,903
Restricted	-	700,346
Committed	-	1,270,398
Unassigned	-	(73,618)
	<u>241,903</u>	<u>2,139,029</u>
Total fund balances		
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 241,903</u>	<u>\$ 2,794,181</u>

CITY OF LIVINGSTON, MONTANA
NONMAJOR FUNDS - SPECIAL REVENUE
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
Year Ended June 30, 2019

	Comprehensive Liability Insurance	Soccer Fields	Library	Emergency/ Disaster	Health- Sanitarian	Dispatch/ Communication
REVENUES						
Taxes	\$ 177,753	\$ -	\$ 86,676	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	454,248	-	-	388
Charges for services	-	-	7,270	-	-	331,071
Fines and forfeitures	-	-	647	-	-	-
Interest on investments	(777)	-	683	(91)	-	(233)
Loan repayment	-	-	-	-	-	-
Other	-	-	1,771	-	-	-
Total revenues	<u>176,976</u>	<u>-</u>	<u>551,295</u>	<u>(91)</u>	<u>-</u>	<u>331,226</u>
EXPENDITURES						
Current						
General government	20,717	-	-	-	-	-
Public safety	91,433	-	-	-	-	657,716
Public works	161,904	-	-	-	-	-
Public health	2,026	-	-	-	-	-
Culture and recreation	20,466	-	479,688	-	-	-
Capital outlay	-	-	-	-	-	6,813
Debt service						
Principal payments	-	-	-	-	-	-
Interest and fiscal fees	-	-	-	-	-	-
Issuance costs	-	-	-	-	-	-
Total expenditures	<u>296,546</u>	<u>-</u>	<u>479,688</u>	<u>-</u>	<u>-</u>	<u>664,529</u>
Revenues over (under) expenditures	<u>(119,570)</u>	<u>-</u>	<u>71,607</u>	<u>(91)</u>	<u>-</u>	<u>(333,303)</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	149,460	397	40,294	21,107	-	375,617
Transfers out	-	-	(35,808)	-	(44)	(57,696)
Premium on issuance of debt	-	-	-	-	-	-
Issuance of debt	-	-	-	-	-	-
Total other financing sources (uses)	<u>149,460</u>	<u>397</u>	<u>4,486</u>	<u>21,107</u>	<u>(44)</u>	<u>317,921</u>
Net change in fund balance	29,890	397	76,093	21,016	(44)	(15,382)
FUND BALANCES - beginning of year	<u>(5,676)</u>	<u>(397)</u>	<u>205,048</u>	<u>(21,016)</u>	<u>44</u>	<u>38,050</u>
FUND BALANCES - end of year	<u>\$ 24,214</u>	<u>\$ -</u>	<u>\$ 281,141</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 22,668</u>

See the Independent Auditors' Report.

(continued)

CITY OF LIVINGSTON, MONTANA
NONMAJOR FUNDS - SPECIAL REVENUE (CONTINUED)
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
Year Ended June 30, 2019

	PERD	Health Insurance	Permissive Medical Levy	Police Pension	Fire Pension	CDBG Economic Development Revolving
REVENUES						
Taxes	\$ -	\$ -	\$ 381,905	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-
Interest on investments	27	161	282	13	157	8,886
Loan repayment	-	-	-	-	-	26,029
Other	-	-	-	-	-	-
Total revenues	<u>27</u>	<u>161</u>	<u>382,187</u>	<u>13</u>	<u>157</u>	<u>34,915</u>
EXPENDITURES						
Current						
General government	-	-	-	-	-	11,748
Public safety	-	-	-	-	-	-
Public works	-	-	-	-	-	-
Public health	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Debt service						
Principal payments	-	-	-	-	-	-
Interest and fiscal fees	-	-	-	-	-	-
Issuance costs	-	-	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,748</u>
Revenues over (under) expenditures	<u>27</u>	<u>161</u>	<u>382,187</u>	<u>13</u>	<u>157</u>	<u>23,167</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	-	-
Transfers out	(12,333)	(89,699)	(350,265)	(8,750)	(45,239)	-
Premium on issuance of debt	-	-	-	-	-	-
Issuance of debt	-	-	-	-	-	-
Total other financing sources (uses)	<u>(12,333)</u>	<u>(89,699)</u>	<u>(350,265)</u>	<u>(8,750)</u>	<u>(45,239)</u>	<u>-</u>
Net change in fund balances	<u>(12,306)</u>	<u>(89,538)</u>	<u>31,922</u>	<u>(8,737)</u>	<u>(45,082)</u>	<u>23,167</u>
FUND BALANCES - beginning of year	<u>12,306</u>	<u>89,538</u>	<u>32</u>	<u>8,737</u>	<u>45,082</u>	<u>592,407</u>
FUND BALANCES - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 31,954</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 615,574</u>

See the Independent Auditors' Report.

(continued)

CITY OF LIVINGSTON, MONTANA
NONMAJOR FUNDS - SPECIAL REVENUE (CONTINUED)
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
Year Ended June 30, 2019

	Impact Fees	S.I.D. Lighting	Parks Department	Law Enforcement	Gas Tax Apportionment
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	148,690	-	-	-
Licenses and permits	-	-	-	-	-
Intergovernmental	-	-	-	-	265,829
Charges for services	45,734	-	-	-	125
Fines and forfeitures	-	-	-	-	-
Interest on investments	1,517	439	391	39	650
Loan repayment	-	-	-	-	-
Other	-	-	700	-	-
Total revenues	<u>47,251</u>	<u>149,129</u>	<u>1,091</u>	<u>39</u>	<u>266,604</u>
EXPENDITURES					
Current					
General government	-	-	-	-	-
Public safety	4,225	61,719	-	-	-
Public works	17,000	-	-	-	81,399
Public health	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Capital outlay	54,473	60,133	-	-	164,996
Debt service					
Principal payments	-	-	-	-	-
Interest and fiscal fees	-	-	-	-	-
Issuance costs	-	-	-	-	-
Total expenditures	<u>75,698</u>	<u>121,852</u>	<u>-</u>	<u>-</u>	<u>246,395</u>
Revenues over (under) expenditures	<u>(28,447)</u>	<u>27,277</u>	<u>1,091</u>	<u>39</u>	<u>20,209</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Premium on issuance of debt	-	-	-	-	-
Issuance of debt	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>(28,447)</u>	<u>27,277</u>	<u>1,091</u>	<u>39</u>	<u>20,209</u>
FUND BALANCES - beginning of year	<u>245,593</u>	<u>63,464</u>	<u>68,941</u>	<u>6,447</u>	<u>83,281</u>
FUND BALANCES - end of year	<u>\$ 217,146</u>	<u>\$ 90,741</u>	<u>\$ 70,032</u>	<u>\$ 6,486</u>	<u>\$ 103,490</u>

See the Independent Auditors' Report.

(continued)

CITY OF LIVINGSTON, MONTANA
NONMAJOR FUNDS - SPECIAL REVENUE (CONTINUED)
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
Year Ended June 30, 2019

	<u>Summerfest</u>	<u>Sidewalks</u>	<u>Business Improvement District</u>	<u>Special Revenue Totals</u>
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ 646,334
Special assessments	-	152,839	43,719	345,248
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	720,465
Charges for services	5,781	-	-	389,981
Fines and forfeitures	-	-	-	647
Interest on investments	(6)	(335)	93	11,896
Loan repayment	-	-	-	26,029
Other	-	-	-	2,471
Total revenues	<u>5,775</u>	<u>152,504</u>	<u>43,812</u>	<u>2,143,071</u>
EXPENDITURES				
Current				
General government	-	-	29,046	61,511
Public safety	-	-	-	815,093
Public works	-	-	-	260,303
Public health	-	-	-	2,026
Culture and recreation	9,775	-	-	509,929
Capital outlay	-	187,464	-	473,879
Debt service				
Principal payments	-	-	-	-
Interest and fiscal fees	-	-	-	-
Issuance costs	-	-	-	-
Total expenditures	<u>9,775</u>	<u>187,464</u>	<u>29,046</u>	<u>2,122,741</u>
Revenues over (under) expenditures	<u>(4,000)</u>	<u>(34,960)</u>	<u>14,766</u>	<u>20,330</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	5,122	-	-	591,997
Transfers out	(389)	-	-	(600,223)
Premium on issuance of debt	-	-	-	-
Issuance of debt	-	-	-	-
Total other financing sources (uses)	<u>4,733</u>	<u>-</u>	<u>-</u>	<u>(8,226)</u>
Net change in fund balance	733	(34,960)	14,766	12,104
FUND BALANCES - beginning of year	<u>(733)</u>	<u>(29,731)</u>	<u>4,116</u>	<u>1,405,533</u>
FUND BALANCES - end of year	<u>\$ -</u>	<u>\$ (64,691)</u>	<u>\$ 18,882</u>	<u>\$ 1,417,637</u>

See the Independent Auditors' Report.

(continued)

CITY OF LIVINGSTON, MONTANA
NONMAJOR GOVERNMENTAL FUNDS - DEBT SERVICE
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
Year Ended June 30, 2019

	2016 Fire Truck GO Bonds	2000 Fire Truck GO Bonds	West End Tax Increment District	S.I.D. Revolving
REVENUES				
Taxes	\$ 80,213	\$ 37,117	\$ 116,997	\$ -
Special assessments	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	-	-	13,189	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Interest on investments	133	126	2,964	140
Loan repayment	-	-	-	-
Other	-	-	-	-
Total revenues	<u>80,346</u>	<u>37,243</u>	<u>133,150</u>	<u>140</u>
EXPENDITURES				
Current				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	365,062	-
Public health	-	-	-	-
Culture and recreation	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal payments	36,775	35,000	57,000	-
Interest and fiscal fees	19,994	1,750	16,613	-
Issuance costs	-	-	-	-
Total expenditures	<u>56,769</u>	<u>36,750</u>	<u>438,675</u>	<u>-</u>
Revenues over (under) expenditures	<u>23,577</u>	<u>493</u>	<u>(305,525)</u>	<u>140</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	10,189	-	-	-
Transfers out	-	-	-	-
Premium on issuance of debt	-	-	-	-
Issuance of debt	-	-	-	-
Total other financing sources (uses)	<u>10,189</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	33,766	493	(305,525)	140
FUND BALANCES - beginning of year	<u>129</u>	<u>16,518</u>	<u>614,229</u>	<u>23,987</u>
FUND BALANCES - end of year	<u>\$ 33,895</u>	<u>\$ 17,011</u>	<u>\$ 308,704</u>	<u>\$ 24,127</u>

See the Independent Auditors' Report.

(continued)

CITY OF LIVINGSTON, MONTANA
NONMAJOR GOVERNMENTAL FUNDS - DEBT SERVICE (CONTINUED)
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
Year Ended June 30, 2019

	<u>S.I.D. 179</u>	<u>S.I.D. 180</u>	<u>Debt Service Totals</u>
REVENUES			
Taxes	\$ -	\$ -	\$ 234,327
Special assessments	34,594	3,931	38,525
Licenses and permits	-	-	-
Intergovernmental	-	-	13,189
Charges for services	-	-	-
Fines and forfeitures	-	-	-
Interest on investments	148	(64)	3,447
Loan repayment	-	-	-
Other	-	-	-
	<u>34,742</u>	<u>3,867</u>	<u>289,488</u>
Total revenues			
EXPENDITURES			
Current			
General government	-	-	-
Public safety	-	-	-
Public works	-	-	365,062
Public health	-	-	-
Culture and recreation	-	-	-
Capital outlay	-	-	-
Debt service			
Principal payments	25,000	-	153,775
Interest and fiscal fees	7,313	-	45,670
Issuance costs	-	-	-
	<u>32,313</u>	<u>-</u>	<u>564,507</u>
Total expenditures			
Revenues over (under) expenditures	<u>2,429</u>	<u>3,867</u>	<u>(275,019)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	10,189
Transfers out	-	-	-
Premium on issuance of debt	-	-	-
Issuance of debt	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>10,189</u>
Net change in fund balance	2,429	3,867	(264,830)
FUND BALANCES -			
beginning of year	<u>18,711</u>	<u>(12,794)</u>	<u>660,780</u>
FUND BALANCES -			
end of year	<u>\$ 21,140</u>	<u>\$ (8,927)</u>	<u>\$ 395,950</u>

See the Independent Auditors' Report.

(continued)

CITY OF LIVINGSTON, MONTANA
NONMAJOR GOVERNMENTAL FUNDS - CAPITAL PROJECTS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
Year Ended June 30, 2019

	<u>Capital Improvements</u>	<u>Library Extension</u>	<u>Railroad Underpass</u>	<u>Fire Truck Bond Proceeds</u>	<u>Capital Projects Totals</u>
REVENUES					
Taxes	\$ -	\$ -	\$ 11	\$ -	\$ 11
Special assessments	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Charges for services	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-
Interest on investments	45	157	331	-	533
Loan repayment	-	-	-	-	-
Other	-	-	-	-	-
Total revenues	<u>45</u>	<u>157</u>	<u>342</u>	<u>-</u>	<u>544</u>
EXPENDITURES					
Current					
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Public works	-	-	-	-	-
Public health	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service					
Principal payments	-	-	29,997	-	29,997
Interest and fiscal fees	-	-	2,629	-	2,629
Issuance costs	-	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>32,626</u>	<u>-</u>	<u>32,626</u>
Revenues over (under) expenditures	<u>45</u>	<u>157</u>	<u>(32,284)</u>	<u>-</u>	<u>(32,082)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	8,000	-	8,000
Transfers out	-	-	-	(10,189)	(10,189)
Premium on issuance of debt	-	-	-	-	-
Issuance of debt	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>8,000</u>	<u>(10,189)</u>	<u>(2,189)</u>
Net change in fund balance	45	157	(24,284)	(10,189)	(34,271)
FUND BALANCES, beginning of year	<u>8,390</u>	<u>24,940</u>	<u>74,291</u>	<u>10,189</u>	<u>117,810</u>
FUND BALANCES, end of year	<u>\$ 8,435</u>	<u>\$ 25,097</u>	<u>\$ 50,007</u>	<u>\$ -</u>	<u>\$ 83,539</u>

See the Independent Auditors' Report.

(continued)

CITY OF LIVINGSTON, MONTANA
NONMAJOR GOVERNMENTAL FUNDS - PERMANENT FUND
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
Year Ended June 30, 2019

	<u>Perpetual Cemetery Care</u>	<u>Total Nonmajor Governmental Funds</u>
REVENUES		
Taxes	\$ -	\$ 880,672
Special assessments	-	383,773
Licenses and permits	-	-
Intergovernmental	-	733,654
Charges for services	1,488	391,469
Fines and forfeitures	-	647
Interest on investments	2,679	18,555
Loan repayment	-	26,029
Other	-	2,471
	<u>-</u>	<u>2,471</u>
Total revenues	<u>4,167</u>	<u>2,437,270</u>
EXPENDITURES		
Current		
General government	-	61,511
Public safety	-	815,093
Public works	-	625,365
Public health	-	2,026
Culture and recreation	-	509,929
Capital outlay	-	473,879
Debt service		
Principal payments	-	183,772
Interest and fiscal fees	-	48,299
Issuance costs	-	-
	<u>-</u>	<u>-</u>
Total expenditures	<u>-</u>	<u>2,719,874</u>
Revenues over (under) expenditures	<u>4,167</u>	<u>(282,604)</u>
OTHER FINANCING SOURCES (USES)		
Transfers in	-	610,186
Transfers out	(2,679)	(613,091)
Premium on issuance of debt	-	-
Issuance of debt	-	-
	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>(2,679)</u>	<u>(2,905)</u>
Net change in fund balance	1,488	(285,509)
FUND BALANCES -		
beginning of year	<u>240,415</u>	<u>2,424,538</u>
FUND BALANCES -		
end of year	<u>\$ 241,903</u>	<u>\$ 2,139,029</u>

See the Independent Auditors' Report.

BUDGET (GAAP BASIS) TO ACTUAL SCHEDULES – NONMAJOR FUNDS

CITY OF LIVINGSTON, MONTANA
SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL
Year Ended June 30, 2019

	Comprehensive Liability Insurance			Soccer Fields		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Taxes	\$ 174,861	177,753	2,892	\$ -	-	-
Special assessments	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-
Interest on investments	-	(777)	(777)	-	-	-
Other	-	-	-	-	-	-
Total revenues	174,861	176,976	2,115	-	-	-
EXPENDITURES - BUDGET UNIT	296,603	296,546	57	-	-	-
Revenues over (under) expenditures	(121,742)	(119,570)	2,172	-	-	-
OTHER FINANCING SOURCES (USES)						
Transfers in	149,459	149,460	1	-	397	397
Transfers out	-	-	-	-	-	-
Issuance of debt	-	-	-	-	-	-
Total other financing sources (uses)	149,459	149,460	1	-	397	397
Revenues and other sources over (under) expenditures	<u>27,717</u>	29,890	<u>2,173</u>	<u>-</u>	397	<u>397</u>
FUND BALANCE (DEFICIT), beginning of year		<u>(5,676)</u>			<u>(397)</u>	
FUND BALANCE (DEFICIT), end of year		<u>\$ 24,214</u>			<u>\$ -</u>	

(continued)

See the Independent Auditors' Report.

CITY OF LIVINGSTON, MONTANA
SPECIAL REVENUE FUNDS (CONTINUED)
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL
Year Ended June 30, 2019

	Library			Emergency/Disaster		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Taxes	\$ 86,192	86,676	484	\$ -	-	-
Special assessments	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	446,839	454,248	7,409	-	-	-
Charges for services	5,500	7,270	1,770	-	-	-
Fines and forfeitures	-	647	647	-	-	-
Interest on investments	100	683	583	-	(91)	(91)
Other	2,000	1,771	(229)	-	-	-
Total revenues	540,631	551,295	10,664	-	(91)	(91)
EXPENDITURES - BUDGET UNIT	483,622	479,688	3,934	-	-	-
Revenues over (under) expenditures	57,009	71,607	14,598	-	(91)	(91)
OTHER FINANCING SOURCES (USES)						
Transfers in	40,295	40,294	(1)	-	21,107	21,107
Transfers out	(35,806)	(35,808)	(2)	-	-	-
Issuance of debt	-	-	-	-	-	-
Total other financing sources (uses)	4,489	4,486	(3)	-	21,107	21,107
Revenues and other sources over (under) expenditures	61,498	76,093	14,595	-	21,016	21,016
FUND BALANCE (DEFICIT), beginning of year		205,048			(21,016)	
FUND BALANCE (DEFICIT), end of year		\$ 281,141			\$ -	

(continued)

See the Independent Auditors' Report.

CITY OF LIVINGSTON, MONTANA
SPECIAL REVENUE FUNDS (CONTINUED)
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL
Year Ended June 30, 2019

	Health-Sanitarian			Dispatch/Communication		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Taxes	\$ -	-	-	\$ -	-	-
Special assessments	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	388	388
Charges for services	-	-	-	302,547	331,071	28,524
Fines and forfeitures	-	-	-	-	-	-
Interest on investments	-	-	-	400	(233)	(633)
Other	-	-	-	-	-	-
Total revenues	-	-	-	302,947	331,226	28,279
EXPENDITURES - BUDGET UNIT	-	-	-	684,288	664,529	19,759
Revenues over (under) expenditures	-	-	-	(381,341)	(333,303)	48,038
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	348,618	375,617	26,999
Transfers out	(45)	(44)	1	(57,701)	(57,696)	5
Issuance of debt	-	-	-	-	-	-
Total other financing sources (uses)	(45)	(44)	1	290,917	317,921	5
Revenues and other sources over (under) expenditures	<u>(45)</u>	<u>(44)</u>	<u>1</u>	<u>(90,424)</u>	<u>(15,382)</u>	<u>75,042</u>
FUND BALANCE (DEFICIT), beginning of year		<u>44</u>			<u>38,050</u>	
FUND BALANCE (DEFICIT), end of year		<u>\$ -</u>			<u>\$ 22,668</u>	

(continued)

See the Independent Auditors' Report.

CITY OF LIVINGSTON, MONTANA
SPECIAL REVENUE FUNDS (CONTINUED)
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
Year Ended June 30, 2019

	PERIOD		Variance
	Budget	Actual	Positive (Negative)
REVENUES			
Taxes	\$ -	-	-
Special assessments	-	-	-
Licenses and permits	-	-	-
Intergovernmental	-	-	-
Charges for services	-	-	-
Fines and forfeitures	-	-	-
Interest on investments	-	27	27
Other	-	-	-
Total revenues	-	27	27
EXPENDITURES - BUDGET UNIT	-	-	-
Revenues over (under) expenditures	-	27	27
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	-
Transfers out	(12,334)	(12,333)	1
Issuance of debt	-	-	-
Total other financing sources (uses)	(12,334)	(12,333)	1
Revenues and other sources over (under) expenditures	(12,334)	(12,306)	28
FUND BALANCE (DEFICIT), beginning of year		12,306	
FUND BALANCE (DEFICIT), end of year		\$ -	

(continued)

See the Independent Auditors' Report.

CITY OF LIVINGSTON, MONTANA
SPECIAL REVENUE FUNDS (CONTINUED)
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL
Year Ended June 30, 2019

	Health Insurance			Permissive Medical Levy		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Taxes	\$ -	-	-	\$ 392,031	381,905	(10,126)
Special assessments	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-
Interest on investments	-	161	161	-	282	282
Loan repayment	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total revenues	-	161	161	392,031	382,187	(9,844)
EXPENDITURES - BUDGET UNIT		-	-		-	-
Revenues over (under) expenditures	-	161	161	392,031	382,187	(9,844)
OTHER FINANCING SOURCES						
Transfers in	-	-	-	-	-	-
Transfers out	(89,699)	(89,699)	-	(392,031)	(350,265)	41,766
Issuance of debt	-	-	-	-	-	-
Total other financing sources	(89,699)	(89,699)	-	(392,031)	(350,265)	41,766
Revenues and other sources over (under) expenditures	<u>(89,699)</u>	<u>(89,538)</u>	<u>161</u>	<u>-</u>	<u>31,922</u>	<u>31,922</u>
FUND BALANCE (DEFICIT), beginning of year		<u>89,538</u>			<u>32</u>	
FUND BALANCE (DEFICIT), end of year		<u>\$ -</u>			<u>\$ 31,954</u>	

(continued)

See the Independent Auditors' Report.

CITY OF LIVINGSTON, MONTANA
SPECIAL REVENUE FUNDS (CONTINUED)
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL
Year Ended June 30, 2019

	Police Pension			Fire Pension		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Taxes	\$ -	-	-	\$ -	-	-
Special assessments	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-
Interest on investments	-	13	13	-	157	157
Loan repayment	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total revenues	-	13	13	-	157	157
EXPENDITURES - BUDGET UNIT						
Revenues over (under) expenditures	-	13	13	-	157	157
OTHER FINANCING SOURCES						
Transfers in	-	-	-	-	-	-
Transfers out	(8,751)	(8,750)	1	(45,239)	(45,239)	-
Issuance of debt	-	-	-	-	-	-
Total other financing sources	(8,751)	(8,750)	1	(45,239)	(45,239)	-
Revenues and other sources over (under) expenditures	<u>(8,751)</u>	<u>(8,737)</u>	<u>14</u>	<u>(45,239)</u>	<u>(45,082)</u>	<u>157</u>
FUND BALANCE (DEFICIT), beginning of year		<u>8,737</u>			<u>45,082</u>	
FUND BALANCE (DEFICIT), end of year		<u>\$ -</u>			<u>\$ -</u>	

(continued)

See the Independent Auditors' Report.

CITY OF LIVINGSTON, MONTANA
SPECIAL REVENUE FUNDS (CONTINUED)
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL
Year Ended June 30, 2019

	CDBG Economic Development Revolving			Livingston Fire Dept/Park County Rural Fire District Training Center		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Taxes	\$ -	-	-	\$ -	-	-
Special assessments	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-
Interest on investments	500	8,886	8,386	-	-	-
Loan repayment	73,000	26,029	(46,971)	-	-	-
Other	-	-	-	-	-	-
Total revenues	73,500	34,915	(38,585)	-	-	-
EXPENDITURES - BUDGET UNIT	727,118	11,748	715,370		-	-
Revenues over (under) expenditures	(653,618)	23,167	676,785	-	-	-
OTHER FINANCING SOURCES						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Issuance of debt	-	-	-	-	-	-
Total other financing sources	-	-	-	-	-	-
Revenues and other sources over (under) expenditures	(653,618)	23,167	676,785	-	-	-
FUND BALANCE (DEFICIT), beginning of year		592,407			-	
FUND BALANCE (DEFICIT), end of year		\$ 615,574			\$ -	

(continued)

See the Independent Auditors' Report.

CITY OF LIVINGSTON, MONTANA
SPECIAL REVENUE FUNDS (CONTINUED)
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL
Year Ended June 30, 2019

	Impact Fees			S.I.D. Lighting		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Taxes	\$ -	-	-	\$ -	-	-
Special assessments	-	-	-	149,900	148,690	(1,210)
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	80,781	45,734	(35,047)	-	-	-
Fines and forfeitures	-	-	-	-	-	-
Interest on investments	1,000	1,517	517	100	439	339
Loan repayment	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total revenues	81,781	47,251	(34,530)	150,000	149,129	(871)
EXPENDITURES - BUDGET UNIT	78,245	75,698	2,547	166,240	121,852	44,388
Revenues over (under) expenditures	3,536	(28,447)	(31,983)	(16,240)	27,277	43,517
OTHER FINANCING SOURCES						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Issuance of debt	-	-	-	-	-	-
Total other financing sources	-	-	-	-	-	-
Revenues and other sources over (under) expenditures	3,536	(28,447)	(31,983)	(16,240)	27,277	43,517
FUND BALANCE (DEFICIT), beginning of year		245,593			63,464	
FUND BALANCE (DEFICIT), end of year		\$ 217,146			\$ 90,741	

(continued)

See the Independent Auditors' Report.

CITY OF LIVINGSTON, MONTANA
SPECIAL REVENUE FUNDS (CONTINUED)
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL
Year Ended June 30, 2019

	Parks Department			Law Enforcement		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Taxes	\$ -	-	-	\$ -	-	-
Special assessments	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-
Interest on investments	500	391	(109)	25	39	14
Loan repayment	-	-	-	-	-	-
Other	2,000	700	(1,300)	-	-	-
Total revenues	2,500	1,091	(1,409)	25	39	14
EXPENDITURES - BUDGET UNIT	-	-	-	-	-	-
Revenues over (under) expenditures	2,500	1,091	(1,409)	25	39	14
OTHER FINANCING SOURCES						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Issuance of debt	-	-	-	-	-	-
Total other financing sources	-	-	-	-	-	-
Revenues and other sources over (under) expenditures	2,500	1,091	(1,409)	25	39	14
FUND BALANCE (DEFICIT), beginning of year		68,941			6,447	
FUND BALANCE (DEFICIT), end of year		\$ 70,032			\$ 6,486	

(continued)

See the Independent Auditors' Report.

CITY OF LIVINGSTON, MONTANA
SPECIAL REVENUE FUNDS (CONTINUED)
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL
Year Ended June 30, 2019

	Gas Tax Apportionment			Summerfest		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Taxes	\$ -	-	-	\$ -	-	-
Special assessments	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	299,690	265,829	(33,861)	-	-	-
Charges for services	150	125	(25)	16,000	5,781	(10,219)
Fines and forfeitures	-	-	-	-	-	-
Interest on investments	100	650	550	-	(6)	(6)
Loan repayment	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total revenues	<u>299,940</u>	<u>266,604</u>	<u>(33,336)</u>	<u>16,000</u>	<u>5,775</u>	<u>(10,225)</u>
EXPENDITURES - BUDGET UNIT	<u>308,000</u>	<u>246,395</u>	<u>61,605</u>	<u>13,670</u>	<u>9,775</u>	<u>3,895</u>
Revenues over (under) expenditures	<u>(8,060)</u>	<u>20,209</u>	<u>28,269</u>	<u>2,330</u>	<u>(4,000)</u>	<u>(6,330)</u>
OTHER FINANCING SOURCES						
Transfers in	-	-	-	-	5,122	5,122
Transfers out	-	-	-	-	-	-
Issuance of debt	-	-	-	-	-	-
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,122</u>	<u>5,122</u>
Revenues and other sources over (under) expenditures	<u>(8,060)</u>	<u>20,209</u>	<u>28,269</u>	<u>2,330</u>	<u>1,122</u>	<u>(1,208)</u>
FUND BALANCE (DEFICIT), beginning of year		<u>83,281</u>			<u>(733)</u>	
FUND BALANCE (DEFICIT), end of year		<u>\$ 103,490</u>			<u>\$ 389</u>	

(continued)

See the Independent Auditors' Report.

CITY OF LIVINGSTON, MONTANA
SPECIAL REVENUE FUNDS (CONTINUED)
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL
Year Ended June 30, 2019

	Sidewalks			Business Improvement District		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Taxes	\$ -	-	-	\$ -	-	-
Special assessments	149,680	152,839	3,159	42,150	43,719	1,569
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-
Interest on investments	-	(335)	(335)	-	93	93
Loan repayment	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total revenues	149,680	152,504	2,824	42,150	43,812	1,662
EXPENDITURES - BUDGET UNIT	187,500	187,464	36	42,150	29,046	13,104
Revenues over (under) expenditures	(37,820)	(34,960)	2,860	-	14,766	14,766
OTHER FINANCING SOURCES						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Issuance of debt	-	-	-	-	-	-
Total other financing sources	-	-	-	-	-	-
Revenues and other sources over (under) expenditures	(37,820)	(34,960)	2,860	-	14,766	14,766
FUND BALANCE (DEFICIT), beginning of year		(29,731)			4,116	
FUND BALANCE (DEFICIT), end of year		\$ (64,691)			\$ 18,882	

(continued)

See the Independent Auditors' Report.

CITY OF LIVINGSTON, MONTANA
SPECIAL REVENUE FUNDS (CONTINUED)
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL
Year Ended June 30, 2019

	Total		Variance
	Budget	Actual	Positive (Negative)
REVENUES			
Taxes	\$ 653,084	646,334	(6,750)
Special assessments	341,730	345,248	3,518
Licenses and permits	-	-	-
Intergovernmental	746,529	720,465	(26,064)
Charges for services	404,978	389,981	(14,997)
Fines and forfeitures	-	647	647
Interest on investments	2,725	11,896	9,171
Loan repayment	73,000	26,029	(46,971)
Other	4,000	2,471	(1,529)
Total revenues	2,226,046	2,143,071	(82,975)
EXPENDITURES - BUDGET			
UNIT	2,987,436	2,122,741	864,695
Revenues over (under) expenditures	(761,390)	20,330	781,720
OTHER FINANCING SOURCES			
Transfers in	538,372	591,997	53,625
Transfers out	(641,606)	(600,223)	41,383
Issuance of debt	-	-	-
Total other financing sources	(103,234)	(8,226)	95,008
Revenues and other sources over (under) expenditures	(864,624)	12,104	876,728
FUND BALANCE (DEFICIT), beginning of year		1,405,533	
FUND BALANCE (DEFICIT), end of year		\$ 1,417,637	

See the Independent Auditors' Report.

CITY OF LIVINGSTON, MONTANA
DEBT SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
Year Ended June 30, 2019

	2016 Fire Truck GO Bonds			2000 Fire Truck GO Bonds		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
Taxes	\$ 63,896	80,213	16,317	\$ 36,943	37,117	174
Special assessments	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Interest on investments	-	133	133	100	126	26
Other	-	-	-	-	-	-
Total revenue	<u>63,896</u>	<u>80,346</u>	<u>16,450</u>	<u>37,043</u>	<u>37,243</u>	<u>200</u>
EXPENDITURES						
Current - General Government	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Debt service						
Principal	35,000	36,775	(1,775)	35,000	35,000	-
Interest and fiscal fees	<u>21,769</u>	<u>19,994</u>	<u>1,775</u>	<u>1,750</u>	<u>1,750</u>	<u>-</u>
Total expenditures	<u>56,769</u>	<u>56,769</u>	<u>-</u>	<u>36,750</u>	<u>36,750</u>	<u>-</u>
Revenues over (under) expenditures	<u>7,127</u>	<u>23,577</u>	<u>16,450</u>	<u>293</u>	<u>493</u>	<u>200</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	10,189	10,189	-	-	-
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>10,189</u>	<u>10,189</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues and other sources over (under) expenditures and other uses	<u>7,127</u>	33,766	<u>26,639</u>	<u>293</u>	493	<u>200</u>
FUND BALANCE (DEFICIT), beginning of year		<u>129</u>			<u>16,518</u>	
FUND BALANCE (DEFICIT), end of year		<u>\$ 33,895</u>			<u>\$ 17,011</u>	

(continued)

CITY OF LIVINGSTON, MONTANA
DEBT SERVICE FUNDS (CONTINUED)
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
Year Ended June 30, 2019

	West End Tax Increment District			S.I.D. Revolving		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
Taxes	\$ 113,540	116,997	3,457	\$ -	-	-
Special assessments	-	-	-	-	-	-
Intergovernmental	13,189	13,189	-	-	-	-
Charges for services	-	-	-	-	-	-
Interest on investments	1,500	2,964	1,464	75	140	65
Other	-	-	-	-	-	-
Total revenue	<u>128,229</u>	<u>133,150</u>	<u>4,921</u>	<u>75</u>	<u>140</u>	<u>65</u>
EXPENDITURES						
Current - General government	365,100	-	365,100	-	-	-
Capital outlay	-	-	-	-	-	-
Debt service						
Principal	57,000	57,000	-	-	-	-
Interest and fiscal fees	<u>16,613</u>	<u>16,613</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>438,713</u>	<u>73,613</u>	<u>365,100</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues over (under) expenditures	<u>(310,484)</u>	<u>59,537</u>	<u>370,021</u>	<u>75</u>	<u>140</u>	<u>65</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	-	-
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues and other sources over (under) expenditures and other uses	<u>(310,484)</u>	<u>59,537</u>	<u>370,021</u>	<u>75</u>	<u>140</u>	<u>65</u>
FUND BALANCE (DEFICIT), beginning of year		<u>614,229</u>			<u>23,987</u>	
FUND BALANCE (DEFICIT), end of year		<u>\$ 673,766</u>			<u>\$ 24,127</u>	

(continued)

**CITY OF LIVINGSTON, MONTANA
DEBT SERVICE FUNDS (CONTINUED)
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
Year Ended June 30, 2019**

	S.I.D. 179		
	Budget	Actual	Variance Positive (Negative)
REVENUES			
Taxes	\$ -	-	-
Special assessments	34,600	34,594	(6)
Intergovernmental	-	-	-
Charges for services	-	-	-
Interest on investments	50	148	98
Other	-	-	-
Total revenue	34,650	34,742	92
EXPENDITURES			
Current - General government	-	-	-
Capital outlay	-	-	-
Debt service			
Principal	25,000	25,000	-
Interest and fiscal fees	7,315	7,313	2
Total expenditures	32,315	32,313	2
Revenues over (under) expenditures	2,335	2,429	94
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	-
Transfers out	-	-	-
Total other financing sources (uses)	-	-	-
Revenues and other sources over (under) expenditures and other uses	2,335	2,429	94
FUND BALANCE (DEFICIT), beginning of year		18,711	
FUND BALANCE (DEFICIT), end of year		\$ 21,140	

(continued)

CITY OF LIVINGSTON, MONTANA
DEBT SERVICE FUNDS (CONTINUED)
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
Year Ended June 30, 2019

	S.I.D. 180			Total		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Taxes	\$ -	-	-	\$ 214,379	234,327	19,948
Special assessments	3,930	3,931	1	38,530	38,525	(5)
Intergovernmental	-	-	-	13,189	13,189	-
Charges for services	-	-	-	-	-	-
Interest on investments	-	(64)	(64)	1,725	3,447	1,722
Other	-	-	-	-	-	-
Total revenue	<u>3,930</u>	<u>3,867</u>	<u>(63)</u>	<u>267,823</u>	<u>289,488</u>	<u>21,665</u>
EXPENDITURES						
Current - General government	-	-	-	365,100	-	365,100
Capital outlay	-	-	-	-	-	-
Debt service						
Principal	-	-	-	152,000	153,775	(1,775)
Interest and fiscal fees	-	-	-	47,447	45,670	1,777
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>564,547</u>	<u>199,445</u>	<u>365,102</u>
Revenues over (under) expenditures	<u>3,930</u>	<u>3,867</u>	<u>(63)</u>	<u>(296,724)</u>	<u>90,043</u>	<u>386,767</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	10,189	10,189
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,189</u>	<u>10,189</u>
Revenues and other sources over (under) expenditures and other uses	<u>3,930</u>	<u>3,867</u>	<u>(63)</u>	<u>(296,724)</u>	<u>100,232</u>	<u>396,956</u>
FUND BALANCE (DEFICIT), beginning of year		<u>(12,794)</u>			<u>660,780</u>	
FUND BALANCE (DEFICIT), end of year		<u>\$ (8,927)</u>			<u>\$ 761,012</u>	

CITY OF LIVINGSTON, MONTANA
CAPITAL PROJECT FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
Year Ended June 30, 2019

	Capital Improvements			Library Extension		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Taxes	\$ -	-	-	\$ -	-	-
Special assessments	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Interest on investments	-	45	45	100	157	57
Other	-	-	-	-	-	-
Total revenue	-	45	45	100	157	57
EXPENDITURES						
Current - General Government	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Debt service						
Principal	-	-	-	-	-	-
Interest and fiscal fees	-	-	-	-	-	-
Issuance costs	-	-	-	-	-	-
Total expenditures	-	-	-	-	-	-
Revenues over (under) expenditures	-	45	45	100	157	57
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Premium on issuance of debt	-	-	-	-	-	-
Issuance of debt	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Revenues and other sources over (under) expenditures and other uses	-	45	45	100	157	57
FUND BALANCE (DEFICIT), beginning of year		8,390			24,940	
FUND BALANCE (DEFICIT), end of year		<u>\$ 8,435</u>			<u>\$ 25,097</u>	

(continued)

CITY OF LIVINGSTON, MONTANA
CAPITAL PROJECT FUNDS (CONTINUED)
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
Year Ended June 30, 2019

	Railroad Underpass			Fire Truck Bond Proceeds		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Favorable (Negative)
REVENUES						
Taxes	\$ -	11	11	\$ -	-	-
Special assessments	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Interest on investments	300	331	31	-	-	-
Other	-	-	-	-	-	-
Total revenue	<u>300</u>	<u>342</u>	<u>42</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES						
Current - General government	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Debt service						
Principal	30,000	29,997	3	-	-	-
Interest and fiscal fees	2,635	2,629	6	-	-	-
Issuance costs	-	-	-	-	-	-
Total expenditures	<u>32,635</u>	<u>32,626</u>	<u>9</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues over (under) expenditures	<u>(32,335)</u>	<u>(32,284)</u>	<u>51</u>	<u>-</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	8,000	8,000	-	-	-	-
Transfers out	-	-	-	(10,190)	(10,189)	1
Premium on issuance of debt	-	-	-	-	-	-
Issuance of debt	-	-	-	-	-	-
Total other financing sources (uses)	<u>8,000</u>	<u>8,000</u>	<u>-</u>	<u>(10,190)</u>	<u>(10,189)</u>	<u>1</u>
Revenues and other sources over (under) expenditures and other uses	<u>(24,335)</u>	<u>(24,284)</u>	<u>51</u>	<u>(10,190)</u>	<u>(10,189)</u>	<u>1</u>
FUND BALANCE (DEFICIT), beginning of year		<u>74,291</u>			<u>10,189</u>	
FUND BALANCE (DEFICIT), end of year		<u>\$ 50,007</u>			<u>\$ -</u>	

(continued)

See the Independent Auditors' Report.

CITY OF LIVINGSTON, MONTANA
CAPITAL PROJECT FUNDS (CONTINUED)
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
Year Ended June 30, 2019

	Total		
	Budget	Actual	Variance Positive (Negative)
REVENUES			
Taxes	\$ -	11	11
Special assessments	-	-	-
Intergovernmental	-	-	-
Charges for services	-	-	-
Interest on investments	400	533	133
Other	-	-	-
Total revenue	<u>400</u>	<u>544</u>	<u>144</u>
EXPENDITURES			
Current	-	-	-
Capital outlay	-	-	-
Debt service			
Principal	30,000	29,997	3
Interest and fiscal fees	2,635	2,629	6
Issuance costs	-	-	-
Total expenditures	<u>32,635</u>	<u>32,626</u>	<u>9</u>
Revenues over (under) expenditures	<u>(32,235)</u>	<u>(32,082)</u>	<u>153</u>
OTHER FINANCING SOURCES (USES)			
Operating transfers in	8,000	8,000	-
Operating transfers out	(10,190)	(10,189)	1
Premium on issuance of debt	-	-	-
Issuance of debt	-	-	-
Total other financing sources (uses)	<u>(2,190)</u>	<u>(2,189)</u>	<u>1</u>
Revenues and other sources over (under) expenditures and other uses	<u>(34,425)</u>	<u>(34,271)</u>	<u>154</u>
FUND EQUITY, beginning of year		<u>117,810</u>	
FUND EQUITY, end of year		<u>\$ 83,539</u>	

CITY OF LIVINGSTON, MONTANA
PERMANENT FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
Year Ended June 30, 2019

	Cemetery Perpetual Care		
	Budget	Actual	Variance Positive (Negative)
REVENUES			
Taxes	\$ -	-	-
Special assessments	-	-	-
Intergovernmental	-	-	-
Charges for services	2,500	1,488	(1,012)
Interest on investments	3,500	2,679	(821)
Other	-	-	-
Total revenue	6,000	4,167	(1,833)
EXPENDITURES			
Current - General government	-	-	-
Total expenditures	-	-	-
Revenues over (under) expenditures	6,000	4,167	(1,833)
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	-
Transfers out	(3,500)	(2,679)	821
Total other financing sources (uses)	(3,500)	(2,679)	821
Revenues and other sources over (under) expenditures and other uses	2,500	1,488	(1,012)
FUND BALANCE (DEFICIT), beginning of year		240,415	
FUND BALANCE (DEFICIT), end of year		\$ 241,903	

See Independent Auditors' Report.

AGENCY FUNDS STATEMENTS

CITY OF LIVINGSTON, MONTANA
AGENCY FUNDS
COMBINING STATEMENT OF FIDUCIARY NET POSITION
June 30, 2019

	<u>Payroll Agency</u>
ASSETS	
Cash and cash equivalents	\$ 260,550
Prepaid health insurance	<u>41,174</u>
Total assets	<u><u>\$ 301,724</u></u>
LIABILITIES	
Accounts payable	\$ 301,724
Other	<u>-</u>
Total liabilities	<u><u>\$ 301,724</u></u>

See Independent Auditors' Report.

CITY OF LIVINGSTON, MONTANA
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
Year Ended June 30, 2019

	Payroll Agency			
	<u>Balance June 30, 2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2019</u>
ASSETS				
Cash and cash equivalents	\$ 52,298	\$ 208,252	\$ -	\$ 260,550
Prepaid health insurance	67,302	-	(26,128)	41,174
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total assets	<u><u>\$ 119,600</u></u>	<u><u>\$ 208,252</u></u>	<u><u>\$ (26,128)</u></u>	<u><u>\$ 301,724</u></u>
LIABILITIES				
Accounts payable	\$ 119,600	\$ -	\$ 182,124	301,724
Other	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u><u>\$ 119,600</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 182,124</u></u>	<u><u>\$ 301,724</u></u>

See Independent Auditors' Report.

PART III

STATISTICAL SECTION

Statistical Section

This part of the City of Livingston's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the government's overall financial health.

Contents	Page
Financial Trends	
These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time	III-1
Revenue Capacity	
These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.	III-6
Debt Capacity	
These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.	III-13
Demographic and Economic Information	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.	III-18
Operating Information	
These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.	III-20

Sources: Unless otherwise noted, the information in these schedules is derived from the City of Livingston comprehensive annual financial reports for the relevant year.

Financial Trends Section

The best predictor of the future is often the past. Therefore, the financial trends section offers selected information from previous years' financial statements to allow users to assess trends.

CITY OF LIVINGSTON
NET POSITION BY COMPONENT
Last Ten Fiscal Years

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Governmental activities										
Net investment in capital assets	\$ 5,250,251	\$ 6,078,018	\$ 6,345,938	\$ 7,055,867	\$ 7,917,516	\$ 8,612,168	\$ 10,404,137	\$ 11,464,716	\$ 12,465,450	\$ 12,400,281
Nonspendable - Cemetery perpetual care	242,403	213,093	223,302	219,534	222,258	232,837	235,763	238,636	240,415	241,903
Restricted - Expendable	-	-	-	-	-	131	80	80	-	-
Restricted for General Government	-	257,535	-	-	-	-	-	-	-	-
Restricted for Public Works	27,409	169,005	195,117	203,686	274,167	384,746	289,583	316,894	328,874	247,207
Restricted for Public Safety	-	-	-	7,753	280	281	282	283	-	49,857
Restricted for Culture and Recreation	-	-	-	129,183	137,058	128,044	118,125	61,865	-	23,572
Restricted for Debt Service	119,647	147,350	185,384	227,928	111,547	563,178	606,564	603,929	650,976	379,710
Unrestricted - Long-term Receivable	-	131,465	131,465	123,333	109,463	-	-	-	-	-
Unrestricted	3,345,619	3,150,717	3,798,037	3,848,976	3,944,824	117,488	10,063	(873,785)	(1,052,689)	392,182
Total governmental activities	<u>\$ 8,985,329</u>	<u>\$ 10,147,183</u>	<u>\$ 10,879,243</u>	<u>\$ 11,816,260</u>	<u>\$ 12,717,113</u>	<u>\$ 10,038,873</u>	<u>\$ 11,664,597</u>	<u>\$ 11,812,618</u>	<u>\$ 12,633,026</u>	<u>\$ 13,734,712</u>
Business-type activities										
Net investment in capital assets	13,569,445	13,516,375	14,152,599	14,659,760	15,199,573	15,737,528	16,103,349	15,861,620	18,485,014	19,669,959
Restricted for Debt Service	275,302	-	264,538	264,538	297,373	297,373	239,538	239,538	522,096	915,764
Unrestricted	615,639	1,030,158	663,525	558,508	274,064	(726,022)	334,821	1,785,618	1,916,154	1,599,455
Total business-type activities	<u>\$ 14,460,386</u>	<u>\$ 14,546,533</u>	<u>\$ 15,080,662</u>	<u>\$ 15,482,806</u>	<u>\$ 15,771,010</u>	<u>\$ 15,308,879</u>	<u>\$ 16,677,708</u>	<u>\$ 17,886,776</u>	<u>\$ 20,923,264</u>	<u>\$ 22,185,178</u>
Primary government										
Net investment in capital assets	18,819,696	19,594,393	20,498,537	21,715,627	23,117,089	24,349,696	26,507,486	27,326,336	30,950,464	32,070,240
Nonspendable - Cemetery perpetual care	242,403	213,093	223,302	219,534	222,258	232,837	235,763	238,636	240,415	241,903
Restricted - Expendable	-	-	-	-	-	131	80	80	-	-
Restricted for General Government	-	257,535	-	-	-	-	-	-	-	-
Restricted for Public Works	27,409	169,005	195,117	203,686	274,167	384,746	289,583	316,894	328,874	247,207
Restricted for Public Safety	-	-	-	7,753	280	281	282	283	-	49,857
Restricted for Culture and Recreation	-	-	-	129,183	137,058	128,044	118,125	61,865	-	23,572
Restricted for Debt Service	394,949	147,350	449,922	492,466	408,920	860,551	846,102	843,467	1,173,072	1,295,474
Unrestricted - Long-term Receivable	-	131,465	131,465	123,333	109,463	-	-	-	-	-
Unrestricted	3,961,258	4,180,875	4,461,562	4,407,484	4,218,888	(608,534)	344,884	911,833	863,465	1,991,637
Total primary government net position	<u>\$ 23,445,715</u>	<u>\$ 24,693,716</u>	<u>\$ 25,959,905</u>	<u>\$ 27,299,066</u>	<u>\$ 28,488,123</u>	<u>\$ 25,347,752</u>	<u>\$ 28,342,305</u>	<u>\$ 29,699,394</u>	<u>\$ 33,556,290</u>	<u>\$ 35,919,890</u>

CITY OF LIVINGSTON
CHANGES IN NET POSITION
Last Ten Fiscal Years

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
EXPENSES										
Governmental activities:										
General government	\$ 749,152	\$ 1,031,773	\$ 1,122,470	\$ 1,135,135	\$ 1,193,800	\$ 1,766,027	\$ 1,323,636	\$ 1,802,374	\$ 1,440,282	\$ 1,303,482
Public Safety	2,944,873	3,098,097	3,015,754	3,152,724	3,322,504	3,171,975	3,078,142	3,370,409	3,562,091	3,543,326
Public Works	763,844	941,905	1,089,382	1,021,021	1,075,975	1,445,836	1,504,248	1,586,810	1,580,013	1,876,825
Public Health	80,401	96,381	98,443	116,736	112,524	108,937	126,097	131,346	118,479	125,179
Social and economic services	-	-	-	-	-	-	-	-	-	-
Culture and recreation	953,065	976,499	965,639	996,843	970,960	1,069,027	1,042,414	1,155,098	1,054,015	1,206,387
Housing and community development	-	-	-	-	-	-	-	-	-	-
Other current charges	-	-	-	-	-	-	-	-	-	-
Interest on long-term debt	85,257	71,427	77,361	50,831	49,771	45,618	42,674	71,621	61,644	128,869
Total governmental activities expenses	<u>\$ 5,576,592</u>	<u>\$ 6,216,082</u>	<u>\$ 6,369,049</u>	<u>\$ 6,473,290</u>	<u>\$ 6,725,534</u>	<u>\$ 7,607,420</u>	<u>\$ 7,117,211</u>	<u>\$ 8,117,658</u>	<u>\$ 7,816,524</u>	<u>\$ 8,184,068</u>
Business-type activities:										
Water	962,942	1,009,560	1,049,151	1,075,920	1,181,411	1,065,013	1,038,601	1,004,783	1,187,183	1,055,021
Wastewater	1,348,657	1,425,800	1,521,606	1,477,751	1,663,023	1,394,283	1,448,739	1,431,250	1,381,741	1,781,063
Solid waste	1,057,280	947,897	1,039,317	1,320,116	1,641,254	1,472,662	1,501,176	1,601,584	1,689,330	1,650,419
Ambulance	623,264	1,059,037	613,363	636,765	660,829	661,904	813,205	956,312	1,138,985	1,455,080
Total business-type activities expenses	<u>3,992,143</u>	<u>4,442,294</u>	<u>4,223,437</u>	<u>4,510,552</u>	<u>5,146,517</u>	<u>4,593,862</u>	<u>4,801,721</u>	<u>4,993,929</u>	<u>5,397,239</u>	<u>5,941,583</u>
Total primary government expenses	<u>\$ 9,568,735</u>	<u>\$ 10,658,376</u>	<u>\$ 10,592,486</u>	<u>\$ 10,983,842</u>	<u>\$ 11,872,051</u>	<u>\$ 12,201,282</u>	<u>\$ 11,918,932</u>	<u>\$ 13,111,587</u>	<u>\$ 13,213,763</u>	<u>\$ 14,125,651</u>
PROGRAM REVENUES										
Governmental activities:										
Charges for Services:										
General government	156,540	161,749	161,870	165,481	188,666	195,798	192,165	171,750	193,042	332,778
Public Safety	367,608	390,667	434,824	418,833	396,905	471,018	452,286	432,552	430,449	471,663
Public Works	979,448	1,517,435	941,032	1,181,471	1,278,691	1,404,223	1,356,289	1,365,404	1,387,620	1,526,528
Culture and recreation	100,514	105,748	116,791	113,506	104,158	96,009	77,683	138,428	115,808	121,467
Operating Grants and Contributions	758,947	782,756	831,849	799,383	832,410	1,324,873	704,709	720,953	1,132,352	1,300,519
Capital Grants and Contributions	310,688	396,285	165,707	174,399	258,531	181,879	565,561	419,466	149,873	220,266
Total governmental activities program revenues	<u>\$ 2,673,745</u>	<u>\$ 3,354,640</u>	<u>\$ 2,652,073</u>	<u>\$ 2,853,073</u>	<u>\$ 3,059,361</u>	<u>\$ 3,673,800</u>	<u>\$ 3,348,693</u>	<u>\$ 3,248,553</u>	<u>\$ 3,409,144</u>	<u>\$ 3,973,221</u>

CITY OF LIVINGSTON
CHANGES IN NET POSITION
Last Ten Fiscal Years

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Business-type activities:										
Charges for Services:										
Water	1,205,136	1,288,684	1,419,677	1,580,576	1,451,627	1,422,929	1,448,689	1,574,394	1,626,986	1,554,490
Sewer	1,419,446	1,570,532	1,670,015	1,733,664	1,958,761	2,103,694	2,205,523	2,330,645	2,385,843	2,438,317
Solid Waste	986,786	1,019,435	1,159,736	1,385,507	1,686,513	1,776,060	1,783,275	1,930,808	2,102,620	2,247,609
Ambulance	699,426	1,130,187	603,331	591,979	782,272	677,065	760,768	874,660	1,219,922	1,379,124
Operating Grants and Contributions	-	-	-	-	8,558	23,925	114,922	96,147	116,601	160,661
Capital Grants and Contributions	674,974	252,281	-	23,118	-	-	-	-	2,040,135	40,086
Total business-type activities program revenues	<u>4,985,768</u>	<u>5,261,119</u>	<u>4,852,759</u>	<u>5,314,844</u>	<u>5,887,731</u>	<u>6,003,673</u>	<u>6,313,177</u>	<u>6,806,654</u>	<u>9,492,107</u>	<u>7,820,287</u>
Total primary government program revenues	<u>\$ 7,659,513</u>	<u>\$ 8,615,759</u>	<u>\$ 7,504,832</u>	<u>\$ 8,167,917</u>	<u>\$ 8,947,092</u>	<u>\$ 9,677,473</u>	<u>\$ 9,661,870</u>	<u>\$ 10,055,207</u>	<u>\$ 12,901,251</u>	<u>\$ 11,793,508</u>
Net (Expense) / Revenue										
Governmental activities	(2,902,847)	(2,861,442)	(3,716,976)	(3,620,217)	(3,666,173)	(3,933,620)	(3,768,518)	(4,869,105)	(4,407,380)	(4,210,847)
Business-type activities	993,625	818,825	629,322	804,292	741,214	1,409,811	1,511,456	1,812,725	4,094,868	1,878,704
Total primary government net position	<u>\$ (1,909,222)</u>	<u>\$ (2,042,617)</u>	<u>\$ (3,087,654)</u>	<u>\$ (2,815,925)</u>	<u>\$ (2,924,959)</u>	<u>\$ (2,523,809)</u>	<u>\$ (2,257,062)</u>	<u>\$ (3,056,380)</u>	<u>\$ (312,512)</u>	<u>\$ (2,332,143)</u>
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes, levied for general purposes	2,406,495	2,654,856	2,666,168	2,847,654	2,802,705	2,787,519	2,819,689	3,023,214	3,108,751	3,281,542
Property taxes, levied for debt service	-	-	-	-	-	-	-	-	90,180	117,330
Licenses and permits	-	-	-	-	-	-	-	-	-	-
Miscellaneous	499,027	62,957	341,391	256,361	217,778	250,435	882,894	220,956	441,139	111,349
Gain on disposal of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers	103,124	485,431	453,586	472,154	488,809	571,733	592,249	640,012	636,750	634,994
Unrestricted investment earnings	35,869	32,261	23,249	15,378	27,218	19,747	13,761	18,098	16,510	28,447
Intergovernmental	912,252	947,400	964,641	965,687	1,030,516	1,061,296	1,085,649	1,114,846	1,118,777	1,138,871
Total governmental activities	<u>\$ 3,956,767</u>	<u>\$ 4,182,905</u>	<u>\$ 4,449,035</u>	<u>\$ 4,557,234</u>	<u>\$ 4,567,026</u>	<u>\$ 4,690,730</u>	<u>\$ 5,394,242</u>	<u>\$ 5,017,126</u>	<u>\$ 5,412,107</u>	<u>\$ 5,312,533</u>
Business-type activities:										
Property taxes levied	34,171	34,864	34,543	37,074	25,999	33,379	20,730	22,153	23,352	24,718
Miscellaneous	-	-	14,895	25,000	-	-	-	-	-	-
Gain on disposal of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers	(103,124)	(485,431)	(453,586)	(472,154)	(488,809)	(571,733)	(592,249)	(640,012)	(636,750)	(634,994)
Unrestricted investment earnings	19,641	18,266	8,578	7,932	9,800	7,313	5,660	14,202	18,930	23,486
Intergovernmental	-	-	-	-	-	-	-	-	-	-
Total business-type activities	<u>(49,312)</u>	<u>(432,301)</u>	<u>(395,570)</u>	<u>(402,148)</u>	<u>(453,010)</u>	<u>(531,041)</u>	<u>(565,859)</u>	<u>(603,657)</u>	<u>(594,468)</u>	<u>(586,790)</u>
Total primary government	<u>\$ 3,907,455</u>	<u>\$ 3,750,604</u>	<u>\$ 4,053,465</u>	<u>\$ 4,155,086</u>	<u>\$ 4,114,016</u>	<u>\$ 4,159,689</u>	<u>\$ 4,828,383</u>	<u>\$ 4,413,469</u>	<u>\$ 4,817,639</u>	<u>\$ 4,725,743</u>
Change in Net Position										
Governmental Activities	1,053,920	1,321,463	732,059	937,017	900,853	757,110	1,625,724	148,021	1,004,727	1,101,686
Business-type activities	944,313	386,524	233,752	402,144	288,204	878,770	945,597	1,209,068	3,500,400	1,291,914
Total primary government	<u>\$ 1,998,233</u>	<u>\$ 1,707,987</u>	<u>\$ 965,811</u>	<u>\$ 1,339,161</u>	<u>\$ 1,189,057</u>	<u>\$ 1,635,880</u>	<u>\$ 2,571,321</u>	<u>\$ 1,357,089</u>	<u>\$ 4,505,127</u>	<u>\$ 2,393,600</u>

Unaudited statistical section.

CITY OF LIVINGSTON
FUND BALANCES OF GOVERNMENTAL FUNDS
Past Ten Fiscal Years

	Fiscal Year									
	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
General Fund										
Nonspendable	\$ -	\$ 131,465	\$ 136,799	\$ 123,333	\$ 95,177	\$ 80,464	\$ 65,307	\$ 49,698	\$ 67,507	\$ 17,058
Restricted	-	-	-	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	7,122	-	-	-	-	-	-
Unassigned	<u>479,799</u>	<u>298,274</u>	<u>341,903</u>	<u>345,096</u>	<u>562,948</u>	<u>509,161</u>	<u>451,551</u>	<u>432,790</u>	<u>676,473</u>	<u>1,397,720</u>
Total general fund	<u>\$ 479,799</u>	<u>\$ 429,739</u>	<u>\$ 478,702</u>	<u>\$ 475,551</u>	<u>\$ 658,125</u>	<u>\$ 589,625</u>	<u>\$ 516,858</u>	<u>\$ 482,488</u>	<u>\$ 743,980</u>	<u>\$ 1,414,778</u>
All Other Governmental										
Nonspendable	242,403	213,093	217,968	219,534	222,258	229,168	235,843	238,716	240,415	241,903
Restricted	119,647	573,890	498,239	568,550	915,801	1,076,249	1,014,554	982,971	979,850	700,346
Committed	-	2,131,645	2,458,633	2,904,486	3,040,800	2,892,921	2,816,991	2,080,736	1,761,412	2,517,089
Assigned	-	32,985	31,785	4,433	4,410	3,800	-	-	-	-
Unassigned	<u>2,093,076</u>	<u>(70,794)</u>	<u>(36,430)</u>	<u>(144,799)</u>	<u>(49,179)</u>	<u>(51,604)</u>	<u>(136,214)</u>	<u>(48,004)</u>	<u>(70,347)</u>	<u>(73,618)</u>
Total all other governmental funds	<u>\$ 2,455,126</u>	<u>\$ 2,880,819</u>	<u>\$ 3,170,195</u>	<u>\$ 3,552,204</u>	<u>\$ 4,134,090</u>	<u>\$ 4,150,534</u>	<u>\$ 3,931,174</u>	<u>\$ 3,254,419</u>	<u>\$ 2,911,330</u>	<u>\$ 3,385,720</u>

Unaudited statistical section.

CITY OF LIVINGSTON
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
Last Ten Fiscal Years

	Fiscal Year									
	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
REVENUES										
Taxes	\$ 3,571,464	\$ 3,488,511	\$ 3,460,223	\$ 3,922,915	\$ 3,992,291	\$ 4,004,482	\$ 4,004,779	\$ 4,217,890	\$ 4,392,659	\$ 4,806,627
Licenses and permits	215,015	256,846	246,605	247,882	313,561	375,851	274,795	316,643	348,799	336,999
Intergovernmental	1,981,887	2,126,441	1,962,197	1,939,469	2,121,457	2,568,048	2,355,919	2,255,265	2,401,002	2,519,656
Charges for service	338,247	388,664	423,153	411,730	547,724	566,565	458,354	587,935	472,385	528,664
Fines and forfeitures	152,248	137,846	149,204	157,247	118,987	117,487	103,740	116,958	122,597	131,683
Interest on investments	35,869	32,261	23,249	15,378	27,218	19,747	13,761	18,098	16,510	28,447
Loan repayment	-	222,542	66,244	167,132	282,641	40,503	52,564	101,631	59,651	26,029
Other	496,574	62,957	341,391	256,361	217,778	250,435	882,894	220,956	441,139	111,349
Total revenues	<u>\$ 6,791,304</u>	<u>\$ 6,716,068</u>	<u>\$ 6,672,266</u>	<u>\$ 7,118,114</u>	<u>\$ 7,621,657</u>	<u>\$ 7,943,118</u>	<u>\$ 8,146,806</u>	<u>\$ 7,835,376</u>	<u>\$ 8,254,742</u>	<u>\$ 8,489,454</u>
EXPENDITURES										
General Government	\$ 700,194	\$ 1,035,575	\$ 1,256,770	\$ 1,150,212	\$ 1,243,719	\$ 1,806,128	\$ 1,291,589	\$ 1,830,225	\$ 1,549,635	\$ 1,264,429
Public safety	2,842,541	2,994,803	2,906,514	3,210,364	3,071,872	3,287,313	3,140,222	3,219,713	3,365,250	3,363,103
Public works	590,826	765,986	896,448	672,562	837,353	1,219,943	1,252,125	1,320,004	1,320,692	1,594,427
Public health	74,486	90,465	91,967	110,944	107,870	104,189	118,289	124,219	110,897	116,833
Culture and recreation	904,128	928,701	888,476	909,444	907,607	989,419	927,342	1,043,002	927,487	990,793
Capital outlay	756,343	978,324	580,357	1,412,053	1,099,251	940,300	2,236,199	2,209,602	1,377,298	2,428,290
Debt service										
Principal	183,950	206,019	348,000	95,000	142,084	173,997	182,367	263,835	260,186	357,865
Interest and other charges	85,257	71,427	77,361	50,831	49,771	45,618	42,674	71,621	61,644	128,869
Total expenditures	<u>\$ 6,137,725</u>	<u>\$ 7,071,300</u>	<u>\$ 7,045,893</u>	<u>\$ 7,611,410</u>	<u>\$ 7,459,527</u>	<u>\$ 8,566,907</u>	<u>\$ 9,190,807</u>	<u>\$ 10,082,221</u>	<u>\$ 8,973,089</u>	<u>\$ 10,244,609</u>
Excess (deficiency) of revenues over expenditures	653,579	(355,232)	(373,627)	(493,296)	162,130	(623,789)	(1,044,001)	(2,246,845)	(718,347)	(1,755,155)
OTHER FINANCING SOURCES (USES)										
Proceeds from borrowing	-	-	-	400,000	113,521	-	159,625	825,000	-	2,234,269
Transfers in	454,260	1,014,266	1,113,209	1,064,525	1,302,386	1,175,661	1,369,426	1,101,806	1,153,487	1,735,161
Transfers out	(351,136)	(528,835)	(659,623)	(592,371)	(813,577)	(603,928)	(777,177)	(461,794)	(516,737)	(1,100,167)
Increase in capital lease obligations	-	-	-	-	-	-	-	35,205	-	-
Refunding Bonds Issued	-	-	250,000	-	-	-	-	-	-	-
Premium on Issuance of Debt	-	-	8,379	-	-	-	-	35,503	-	31,080
Sales of capital assets	3,317	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>\$ 106,441</u>	<u>\$ 485,431</u>	<u>\$ 711,965</u>	<u>\$ 872,154</u>	<u>\$ 602,330</u>	<u>\$ 571,733</u>	<u>\$ 751,874</u>	<u>\$ 1,535,720</u>	<u>\$ 636,750</u>	<u>\$ 2,900,343</u>
EXTRAORDINARY ITEMS	-	245,434	-	-	-	-	-	-	-	-
Net change in fund balances	<u>\$ 760,020</u>	<u>\$ 375,633</u>	<u>\$ 338,338</u>	<u>\$ 378,858</u>	<u>\$ 764,460</u>	<u>\$ (52,056)</u>	<u>\$ (292,127)</u>	<u>\$ (711,125)</u>	<u>\$ (81,597)</u>	<u>\$ 1,145,188</u>
Debt service as a percentage of noncapital expenditures	5.3%	4.8%	7.0%	2.4%	3.1%	3.0%	3.3%	4.5%	4.4%	6.6%

Unaudited statistical section.

Revenue Capacity Section

Governments do not have unlimited access to resources. It is important to be able to assess a government's capacity to raise revenue as needed. Therefore, the statistical section provides information useful in assessing a government's ability to raise own-source revenue.

CITY OF LIVINGSTON
 ASSESSED VALUE OF TAXABLE PROPERTY
 Past Ten Fiscal Years

Fiscal Year Ended <u>June 30,</u>	<u>Residential Property</u>	<u>Commercial & Industrial Property</u>	<u>Agricultural Property</u>	<u>Total Taxable Value</u>	<u>Total Direct Tax Rate</u>
2000	5,444,718	3,583,233	22,667	9,050,618	149.41
2001	5,053,746	3,325,930	21,039	8,400,716	149.41
2002	5,100,819	3,356,909	21,235	8,478,964	150.77
2003	5,178,031	3,407,723	21,557	8,607,311	150.67
2004	5,095,114	3,353,155	21,212	8,469,481	163.20
2005	5,169,711	3,402,248	21,522	8,593,481	173.77
2006	5,413,236	3,562,515	22,536	8,998,287	170.66
2007	5,725,058	3,767,728	23,834	9,516,620	191.43
2008	6,116,326	4,025,226	25,463	10,167,015	191.28
2009	6,092,969	4,009,854	25,366	10,128,189	198.12
2010	6,270,020	4,126,374	26,103	10,422,497	209.01
2011	6,557,908	4,315,836	27,302	10,901,046	210.83
2012	6,639,931	4,369,816	27,643	11,037,390	209.06
2013	6,738,708	4,434,823	28,054	11,201,585	217.13
2014	6,956,582	4,578,208	28,961	11,563,751	209.53
2015	6,854,973	4,511,338	28,538	11,394,849	210.45
2016	6,566,915	4,321,764	27,339	10,916,018	225.80
2017	8,009,595	3,156,268	48,298	11,214,161	237.81
2018	8,770,902	3,448,491	34,911	12,254,304	226.86
2019	9,389,243	2,980,041	433,192	12,802,476	231.22

Source: City of Livingston Finance Department
 Department of Revenue

Note: Property is assessed by the State Department of Revenue every two years.

Unaudited statistical section.

CITY OF LIVINGSTON
DIRECT AND OVERLAPPING PROPERTY TAX RATES
Past Ten Fiscal Years
(rate per \$1,000 of assessed value)

Fiscal Year Ended <u>June 30,</u>	Basic <u>Rate</u>	General Obligation Debt <u>Service</u>	Total Direct Tax <u>Rate</u>	Livingston School <u>District</u>	Park <u>County</u>	State of <u>Montana</u>
2010	202.94	6.07	209.01	275.88	97.58	46.00
2011	204.69	6.14	210.83	310.22	102.28	46.00
2012	202.42	6.64	209.06	304.72	111.82	46.00
2013	213.95	3.18	217.13	290.59	108.31	46.00
2014	206.35	3.18	209.53	292.06	109.80	46.00
2015	207.45	3.00	210.45	314.01	109.60	46.00
2016	223.05	2.75	225.80	323.44	113.79	46.00
2017	230.06	7.75	237.81	328.59	115.00	46.00
2018	219.26	7.60	226.86	387.35	143.62	46.00
2019	222.22	9.00	231.22	321.33	117.98	46.00

Source: Based on information provided by the Montana Tax Foundation

Unaudited statistical section.

CITY OF LIVINGSTON
PRINCIPAL PROPERTY TAX PAYERS
Current and Nine Years Ago

	Tax Year			Tax Year		
	2018			2009		
			Percentage			Percentage
	Taxable	Rank	of Total City	Taxable	Rank	of Total City
	Assessed		Taxable	Assessed		Taxable
	Value		Assessed	Value		Assessed
Northwestern Energy Transmission & Distribution	\$ 1,606,150	1	14.71%	\$ 824,129	1	8.14%
Montana Rail Link, Inc	512,488	2	4.69%	402,979	2	3.98%
Printingforless.com Inc.	150,773	3	1.38%	112,906	4	1.11%
Qwest Corporation	95,592	4		205,708	3	2.03%
Charter Communications, Inc.	81,291	5	0.74%	57,359	9	
MAA Best Yellowstone Hospitality, LLC	75,468	6	0.69%			
Albertson's LLC	65,142	7	0.60%			
First Interstate Bank	59,958	8	0.55%	60,770	7	0.60%
AFW Montana, LLC	58,879	9				
American Bank of Montana	54,904	10	0.50%			
Printingforless				112,380	5	1.11%
New Albertson's Inc.				66,303	6	0.65%
Osterman, Sylvia			0.00%	60,116	8	0.59%
Midstates Development, Inc.			0.00%	56,955	10	0.56%
Total	<u>\$ 2,760,645</u>		<u>23.87%</u>	<u>\$ 1,959,605</u>		<u>10.64%</u>
Total City Taxable Assessed Value	<u>\$ 12,802,476</u>			<u>\$ 10,128,189</u>		

Source: State of Montana Assessor's Office

CITY OF LIVINGSTON
PROPERTY TAX LEVIES AND COLLECTIONS
Past Twenty Fiscal Years

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2000	1,179,024	1,098,155	93.14%	79,723	1,177,878	99.90%
2001	1,255,193	1,150,601	91.67%	104,231	1,254,833	99.97%
2002	1,278,373	1,167,664	91.34%	110,384	1,278,048	99.97%
2003	1,296,817	1,125,851	86.82%	170,424	1,296,275	99.96%
2004	1,382,219	1,248,813	90.35%	132,230	1,381,044	99.91%
2005	1,493,289	1,349,363	90.36%	143,040	1,492,403	99.94%
2006	1,535,648	1,336,189	87.01%	198,550	1,534,739	99.94%
2007	1,821,767	1,672,805	91.82%	148,421	1,821,226	99.97%
2008	1,944,748	1,689,591	86.88%	254,383	1,943,974	99.96%
2009	2,006,597	1,761,566	87.79%	244,545	2,006,111	99.98%
2010	2,197,531	2,109,410	95.99%	85,158	2,194,568	99.87%
2011	2,298,258	2,185,537	95.10%	109,637	2,295,174	99.87%
2012	2,307,395	2,148,330	93.11%	156,730	2,305,060	99.90%
2013	2,432,073	2,326,903	95.68%	102,741	2,429,644	99.90%
2014	2,423,005	2,366,838	97.68%	55,855	2,422,693	99.99%
2015	2,397,867	2,376,542	99.11%	18,651	2,395,193	99.89%
2016	2,464,833	2,436,205	98.84%	27,451	2,463,656	99.95%
2017	2,666,801	2,640,286	99.01%	25,974	2,666,260	99.98%
2018	2,779,942	2,742,542	98.65%	35,471	2,778,013	99.93%
2019	2,960,310	2,928,581	98.93%	-	2,928,581	98.93%

Unaudited statistical section.

CITY OF LIVINGSTON
UTILITY ACCOUNTS BY CUSTOMERS
Past Ten Fiscal Years
(as of June 30th)

	Fiscal Year									
	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Water										
Residential	3,059	3,058	3,064	3,065	3,091	3,126	3,306	3,269	3,357	3,435
Commercial	354	344	361	363	361	368	377	375	345	380
Industrial	4	3	3	3	3	3	3	3	3	3
Total Water	3,417	3,405	3,428	3,431	3,455	3,497	3,686	3,647	3,705	3,818
Sewer										
Residential	2,924	2,925	2,931	2,934	2,963	2,995	3,172	3,134	3,192	3,233
Commercial	328	323	325	328	330	335	342	336	341	371
Industrial	2	1	1	1	1	1	1	1	2	1
Total Sewer	3,254	3,249	3,257	3,263	3,294	3,331	3,515	3,471	3,535	3,605
Solid Waste										
Residential	2,999	3,018	3,019	3,020	3,041	3,062	3,210	3,167	3,184	3,256
Commercial	301	298	315	316	314	309	312	344	330	333
Industrial	-	-	-	-	-	-	-	-	-	-
Total Solid Waste	3,300	3,316	3,334	3,336	3,355	3,371	3,522	3,511	3,514	3,589

Source: City of Livingston Utility Department

CITY OF LIVINGSTON
WATER SOLD BY TYPE OF CUSTOMER
Past Ten Fiscal Years
(in Thousands of Gallons)

	Fiscal Year									
	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Type of Customer										
Residential	242,379	229,267	250,284	279,511	252,688	229,636	286,325	267,087	254,728	254,922
Commercial	82,031	78,684	83,381	84,794	80,654	84,003	86,673	91,729	84,591	87,332
Industrial	2,637	3,443	3,227	3,904	5,786	966	1,652	4,889	8,945	1,206
Total	327,047	311,394	336,892	368,209	339,128	314,605	374,650	363,705	348,264	343,460

Source: City of Livingston Utility Department

CITY OF LIVINGSTON
WATER AND SEWER RATES
Past Ten Fiscal Years

Water			Sewer		
Fiscal Year Ended <u>June 30,</u>	Monthly Base <u>Rate</u>	Rate per 1,000 <u>Gallons</u>	Fiscal Year Ended <u>June 30,</u>	Monthly Base <u>Rate</u>	Rate per 1,000 <u>Gallons</u>
2010	9.10	2.03	2010	11.32	4.60
2011	10.38	2.32	2011	13.47	5.48
2012	10.38	2.32	2012	13.47	5.48
2013	10.79	2.41	2013	14.00	5.69
2014	11.00	2.45	2014	15.54	6.31
2015	11.22	2.50	2015	17.41	7.07
2016	11.56	2.58	2016	17.76	7.22
2017	11.91	2.66	2017	18.12	7.36
2018	12.15	2.71	2018	18.48	7.51
2019	12.39	2.76	2019	18.94	7.70

Sources:

City of Livingston, Montana Commission Resolution 3953
City of Livingston, Montana Commission Resolution 4033
City of Livingston, Montana Commission Resolution 4141
City of Livingston, Montana Commission Resolution 4237
City of Livingston, Montana Commission Resolution 4277
City of Livingston, Montana Commission Resolution 4387
City of Livingston, Montana Commission Resolution 4459
City of Livingston, Montana Commission Resolution 4578
City of Livingston, Montana Commission Resolution 4691
City of Livingston, Montana Commission Resolution 4741

City of Livingston, Montana Commission Resolution 3954
City of Livingston, Montana Commission Resolution 4033
City of Livingston, Montana Commission Resolution 4142
City of Livingston, Montana Commission Resolution 4236
City of Livingston, Montana Commission Resolution 4278
City of Livingston, Montana Commission Resolution 4388
City of Livingston, Montana Commission Resolution 4460
City of Livingston, Montana Commission Resolution 4577
City of Livingston, Montana Commission Resolution 4692
City of Livingston, Montana Commission Resolution 4742

Unaudited statistical section.

Debt Capacity Section

Debt can be an extremely useful tool for financing capital acquisition and construction and for meeting other long-term financing needs. Consequently, the statistical section offers information useful in assessing a government's ability to issue new debt.

CITY OF LIVINGSTON
RATIOS OF OUTSTANDING DEBT BY TYPE
Past Ten Fiscal Years

Fiscal Year Ended June 30,	Governmental Activities					Business-Type Activities						
	General		Special	Tax Increment			Bond			Total	Percentage	
	Obligation	Notes	Assessment	Revenue	Capital	Revenue	Anticipation	Notes	Capital	Primary	of Personal	Per
	Bonds	Payable	Bonds	Bonds	Leases	Bonds	Notes	Payable	Leases	Government	Income¹	Capita¹
2010	325,000	-	468,000	849,000	29,019	2,591,062	-	382,166	35,929	4,680,176	11.29%	659.74
2011	285,000	-	435,000	805,000	-	2,437,609	-	327,698	-	4,290,307	13.63%	612.73
2012	250,000	-	356,000	761,000	-	2,679,000	-	273,230	-	4,319,230	14.00%	618.36
2013	220,000	400,000	336,000	716,000	-	2,488,000	-	218,762	-	4,378,762	13.79%	622.43
2014	190,000	475,437	310,000	668,000	-	2,292,000	-	176,812	-	4,112,249	15.67%	580.42
2015	160,000	418,440	273,000	618,000	-	2,091,000	-	147,344	-	3,707,784	18.62%	523.33
2016	130,000	500,698	249,000	567,000	-	1,895,000	-	117,876	-	3,459,574	21.07%	473.78
2017	855,503	468,081	225,000	513,000	16,987	1,693,000	1,311,086	45,883	16,987	5,145,527	14.95%	695.25
2018	788,728	371,657	201,000	457,000	-	11,552,528	-	30,589	-	13,401,502	6.03%	1,779.98
2019	685,000	511,910	176,000	2,290,000	-	15,438,040	-	15,295	-	19,116,245	4.45%	2,455.84

Sources: City of Livingston Finance Department

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

¹ See the Schedule of Demographic and Economic Statistics on Page III-17 for personal income and population data.

Unaudited statistical section.

CITY OF LIVINGSTON
RATIOS OF NET GENERAL BONDED DEBT
Last Ten Fiscal Years

Fiscal Year Ended <u>June 30,</u>	General Obligation <u>Bonds</u>	Less: Amounts Available in Debt <u>Service Fund</u>	<u>Total</u>	Percentage of Estimated Actual Taxable Value¹ of <u>Property</u>	<u>Per Capita</u>²
2010	325,000	5,362	319,638	3.07%	45.06
2011	285,000	11,183	273,817	2.51%	39.11
2012	250,000	25,957	224,043	2.03%	32.07
2013	220,000	16,641	203,359	1.82%	28.91
2014	190,000	20,034	169,966	1.47%	23.99
2015	160,000	19,599	140,401	1.23%	19.82
2016	130,000	12,689	117,311	1.07%	16.07
2017	855,503	15,940	839,563	7.49%	113.44
2018	788,728	16,647	772,081	6.30%	102.55
2019	685,000	50,906	634,094	4.95%	81.46

Sources: City of Livingston Finance Department

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

¹ See the Schedule of Assessed Value on Page III-6 for property value data.

² Population data can be found in the Schedule of Demographic and Economic Statistic on Page III-17.

Unaudited statistical section.

CITY OF LIVINGSTON
DIRECT AND OVERLAPPING GENERAL BONDED DEBT OUTSTANDING
Past Two Fiscal Years

	As of June 30, 2019	Applicable to the City of Livingston	As of June 30, 2018	Applicable to the City of Livingston
<u>City of Livingston, Montana</u>				
General obligation debt	\$ 685,000		\$ 788,728	
Special Assessment Bond	176,000		201,000	
Tax Increment Revenue Bonds	2,290,000		457,000	
Capital Leases	-		-	
Notes Payable	<u>511,910</u>		<u>371,657</u>	
Net general obligation debt	<u>\$ 3,662,910</u>	100%	<u>\$ 1,818,385</u>	100%
<u>Overlapping Bonded Indebtedness</u>				
Park County ¹	878,964	46.5%	996,208	46.0%
Livingston School District ²				
Elementary District	-	75.5%	812,339	73.1%
High School District	13,030,000	61.4%	13,265,000	59.3%
Total overlapping bond indebtedness	<u>\$ 13,908,964</u>		<u>\$ 15,073,547</u>	
Total direct and overlapping debt	<u><u>\$ 17,571,874</u></u>		<u><u>\$ 16,891,932</u></u>	

Sources:

City of Livingston, Finance Department
Park County, Finance Department
Livingston Public Schools, Finance Department

¹ Based on the percentage of Park County's population within the City Limits.

² Based on the percentage of the School District's population within the City Limits.

Note: Overlapping governments are those that coincide, at least in part, with geographic boundaries of the city. This schedule estimates the portion of outstanding debt of those overlapping governments that is borne by the property tax payers of the City of Livingston. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the property tax payers 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 government.

Unaudited statistical section.

CITY OF LIVINGSTON
LEGAL DEBT MARGIN INFORMATION
Past Ten Fiscal Years

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<u>Market Value</u>	\$ 346,653,498	\$ 372,719,664	\$ 377,761,961	\$ 396,161,276	\$ 423,354,775	\$ 434,670,370	\$ 672,756,494	\$ 684,291,493	\$ 758,381,947	\$ 777,853,878
<u>Limit %</u>	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Debt Limit	\$ 8,666,337	\$ 9,317,992	\$ 9,444,049	\$ 9,904,032	\$ 10,583,869	\$ 10,866,759	\$ 16,818,912	\$ 17,107,287	\$ 18,959,549	\$ 19,446,347
Total net debt applicable to limit	(319,638)	(273,817)	(224,043)	(203,359)	(169,966)	(140,401)	(117,311)	(839,563)	(772,081)	(634,094)
Legal debt margin	<u>\$ 8,346,700</u>	<u>\$ 9,044,175</u>	<u>\$ 9,220,006</u>	<u>\$ 9,700,673</u>	<u>\$ 10,413,904</u>	<u>\$ 10,726,358</u>	<u>\$ 16,701,601</u>	<u>\$ 16,267,724</u>	<u>\$ 18,187,468</u>	<u>\$ 18,812,253</u>
Total net debt applicable to the limit as a percentage of debt limit	4%	3%	2%	2%	2%	1%	1%	5%	4%	3%

Note: Under Montana State Law, the City of Livingston's outstanding general obligation debt shall not exceed 2.5% percent of total assessed property value. By law, the general obligation debt subject to the limitation may be offset by amounts set aside for repaying general obligation bonds. This law was changed from 1.51% to 2.5% in 2007.

Source: City Manager's Recommended Budget

CITY OF LIVINGSTON
PLEDGED REVENUE COVERAGE
Past Ten Fiscal Years

Fiscal Year Ended June 30,	Water Revenue Bonds						Sewer Revenue Bonds					
	Metered Water Sales	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage	Sewer Charges	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest					Principal	Interest	
2010	1,201,731	740,110	461,621	53,000	27,921	5.70	1,420,363	912,419	507,944	121,545	68,988	2.67
2011	1,285,521	778,285	507,236	70,294	27,256	5.20	1,569,639	954,297	615,342	156,948	78,144	2.62
2012	1,417,738	804,714	613,024	43,294	23,132	9.23	1,669,440	960,571	708,869	75,174	75,555	4.70
2013	1,579,321	819,182	760,139	80,294	9,350	8.48	1,733,664	957,532	776,132	140,174	49,289	4.10
2014	1,444,460	913,542	530,918	80,294	8,691	5.97	1,958,055	1,031,970	926,085	145,174	46,443	4.83
2015	1,329,743	791,041	538,702	80,294	6,507	6.21	2,099,888	906,381	1,193,506	150,174	46,443	5.03
2016	1,407,922	753,833	654,089	80,294	6,048	7.58	2,174,197	910,076	1,264,121	145,174	39,679	6.84
2017	1,511,884	703,774	808,110	80,294	5,729	9.39	2,279,457	894,587	1,384,870	193,699	38,353	5.97
2018	1,626,591	891,202	735,389	85,294	4,761	8.17	2,385,413	807,791	1,577,622	242,328	75,058	4.97
2019	1,553,791	757,684	796,107	85,294	3,502	8.97	2,437,850	995,328	1,442,522	428,880	265,154	2.08

Fiscal Year Ended June 30,	Special Assessment Bonds				Tax Increment District Revenue Bonds			
	Special Assessment Collections	Debt Service		Coverage	Tax Collections	Debt Service		Coverage
		Principal	Interest			Principal	Interest	
2010	70,957	67,000	24,348	0.78	104,001	42,000	33,019	1.39
2011	66,974	93,000	19,485	0.60	121,900	44,000	31,552	1.61
2012	68,029	19,000	16,312	1.93	121,527	44,000	29,897	1.64
2013	53,354	20,000	12,413	1.65	120,710	45,000	28,445	1.64
2014	49,925	26,000	14,124	1.24	122,374	48,000	26,400	1.64
2015	41,254	37,000	12,485	0.83	138,647	50,000	26,400	1.37
2016	38,831	24,000	10,013	1.14	114,643	51,000	22,706	1.17
2017	38,728	24,000	9,252	1.16	112,018	54,000	20,756	1.13
2018	36,626	24,000	8,213	1.14	108,044	56,000	18,713	1.09
2019	34,594	25,000	7,313	1.07	311,310	183,036	49,730	1.34

Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements. Operating Expenses do not include depreciation.

Demographics and Economic Section

A government does not exist in a vacuum. Its finances inevitably are affected by its socio-economic environment. Accordingly, the statistical section offers information designed to help users better understand that environment.

CITY OF LIVINGSTON
DEMOGRAPHIC AND ECONOMIC STATISTICS
Past Ten Fiscal Years

Fiscal Year Ended June 30,	City Population¹	County Population¹	County Personal Income²	County Per Capita Personal Income	State Median Age¹	K-12 School Enrollment³	Unemployment Rate⁴
2010	7,094	15,738	\$ 528,440	\$ 33,881	39.9	1,414	7.2%
2011	7,002	15,587	\$ 584,693	\$ 37,708	40.0	1,371	7.0%
2012	6,985	15,509	\$ 604,725	\$ 38,789	40.1	1,402	6.0%
2013	7,035	15,587	\$ 603,929	\$ 38,489	39.9	1,473	5.4%
2014	7,085	15,658	\$ 644,441	\$ 40,528	39.8	1,491	4.6%
2015	7,214	15,877	\$ 690,507	\$ 43,257	39.7	1,493	4.1%
2016	7,302	15,981	\$ 729,044	\$ 45,288	39.8	1,478	4.1%
2017	7,401	16,114	\$ 769,138	\$ 47,033	39.7	1,442	3.9%
2018	7,529	16,353	\$ 808,514 *	\$ 44,920 *	39.8	1,437	4.0%
2019	7,784	16,736	\$ 849,906 *	\$ 50,783 *	39.8	1,382	3.7%

Data Sources:

¹ US Census Bureau, Population Division

² US Bureau of Economic Analysis, in \$1,000

³ Livingston School District Administrative Offices- Enrollment as of October 31st, 2018

⁴ US Bureau of Labor Statistics (As of July of that year)

* Estimate based on average annual increases of past years ten years

Unaudited statistical section.

CITY OF LIVINGSTON
PRINCIPAL EMPLOYERS
Current and Nine Years Ago

2019			2010		
Private Employers By Class	Employer Class Size	% of Total Labor Force	Private Employers By Class	Employer Class Size	% of Total Labor Force
Livingston Healthcare	7	6%	Livingston Healthcare	7	6%
Chico Hot Springs	6	3%	Chico Hot Springs	6	3%
Church Universal & Triumphant	6	3%	PrintingForLess.com	6	3%
Printingforless.com	6	3%	Albertson's	5	3%
Albertson's	5	1%	Best Western Mammoth Hot Springs	5	3%
Montana's Rib & Chop House	5	1%	Church Universal & Triumphant	5	3%
R-Y Timber	5	1%	Community Health Partners	5	3%
The Murray Hotel	5	1%	Livingston Health & Rehab	5	3%
Town & Country Foods	5	1%	Town & Country Foods	5	3%
Community Health Partners	5	1%	Livingston Enterprise	4	1%

Total Labor Force: 8,822 for Park County

Total Labor Force: 8,594 for Park County

Class 3 - 10 to 19 Employees
Class 4 - 20 to 49 Employees
Class 5 - 50 to 99 Employees
Class 6 - 100 to 249 Employees
Class 7 - 250 to 499 Employees
Class 8 - 500 to 999 Employees
Class 9 - 1000+ Employees

Unaudited statistical section.

Operating Section

It is hard to assess the adequacy of a government's resources without first understanding the size and nature of its operations. Thus, this section provides information on the size of the city's workforce, the level of services that it provides, and its capital assets.

CITY OF LIVINGSTON
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUND/PROGRAM
Last Ten Fiscal Years

	Fiscal Year Ended June 30,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Fund										
City Commission	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Judicial	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
City Manager	1.01	2.20	2.20	2.20	2.20	1.00	1.00	1.00	1.00	1.00
Finance	0.19	0.46	0.46	0.46	1.00	1.00	1.00	1.00	1.00	1.00
Accounting	1.30	2.76	2.76	2.76	2.80	2.00	2.00	2.00	1.60	2.00
Planner	1.15	1.15	1.15	1.15	1.15	2.15	2.15	2.15	2.15	2.15
City Attorney	1.00	1.00	1.00	1.61	1.61	2.00	2.00	2.00	2.00	2.00
Law Enforcement	14.00	14.00	14.00	14.00	14.00	14.00	14.00	13.00	14.00	14.00
Parking Attendant	0.60	0.60	0.60	0.60	0.00	0.00	0.00	0.00	0.00	0.00
Firefighters	9.00	9.00	9.00	9.00	9.00	9.00	9.00	8.50	8.50	7.00
Building Code Enforcement	0.85	0.85	0.85	0.85	0.85	0.85	0.85	0.85	0.85	0.85
Public Services	0.05	0.55	0.05	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Cemetery Department	1.69	1.72	1.72	1.72	1.72	0.00	0.00	0.00	0.00	0.00
Parks Department	3.34	3.44	2.98	2.98	1.52	0.00	0.00	0.00	0.00	0.00
Roaming Crew	0.00	0.00	0.00	0.00	0.00	5.74	6.60	6.60	6.36	6.82
Recreation	1.50	2.00	2.00	1.84	1.84	1.00	1.00	1.35	0.00	0.00
Administrative Services	0.00	0.00	0.00	0.00	0.00	3.00	3.00	3.00	3.35	4.43
Swimming Pool	1.68	1.68	1.68	1.68	1.51	1.51	1.51	1.51	1.51	1.51
Animal Control	0.50	0.72	0.72	0.72	0.72	0.72	0.72	0.72	0.80	1.00
Sub-Total General Fund	39.86	44.13	43.17	43.57	41.92	45.97	46.83	45.68	45.12	45.76
Special Revenue Funds										
Summerfest	0.00	0.00	0.46	0.16	0.16	0.00	0.00	0.00	0.00	0.00
Library	7.92	7.90	7.27	7.72	7.85	7.59	7.62	7.22	6.74	8.25
Dispatch	8.09	8.00	8.00	8.00	8.60	8.60	8.60	8.60	9.00	9.00
Street Maintenance District	3.66	3.70	3.70	3.70	4.20	5.58	5.78	5.78	5.90	5.90
Sub-Total Special Revenue Funds	19.66	19.60	19.43	19.58	20.81	21.77	22.00	21.60	21.64	23.15
Enterprise Funds										
Water Department	9.23	8.47	8.47	8.47	8.09	7.47	7.74	7.40	7.12	7.37
Sewer Department	9.99	8.49	8.48	8.48	9.09	7.43	7.71	6.88	7.27	8.25
Solid Waste Department	9.78	9.16	9.16	9.16	10.27	7.03	7.93	7.60	7.61	7.39
Ambulance Service	6.62	6.00	6.00	6.00	6.00	6.00	6.00	6.50	6.50	7.00
Sub-Total Enterprise Funds	35.62	32.12	32.11	32.11	33.45	27.93	29.38	28.38	28.50	30.01
Total all funds	95.14	95.85	94.71	95.26	96.18	95.67	98.21	95.66	95.26	98.92

Source: City Manager's Recommended Budget

CITY OF LIVINGSTON
OPERATING INDICATORS BY FUNCTION/PROGRAM
Past Ten Fiscal Years

	Fiscal Year Ended June 30,										
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Fund											
Finance/Accounting											
Claim Checks Processed	2720	2541	2807	2936	2889	2864	2892	3047	2893	2762	2611
W-2's Processed ¹	164	142	144	153	147	152	158	151	161	147	152
Payroll Checks Processed	2971	3102	3111	3116	3220	3271	3404	3293	3199	3238	3134
1099's Processed ¹	23	20	25	18	23	18	27	22	30	24	14
Business Licenses Processed	673	641	605	673	672	667	658	720	762	762	620
City Attorney											
Resolutions	79	81	92	83	85	89	85	105	85	66	91
Ordinances	13	10	6	11	7	3	7	8	4	3	12
Police Department *											
Number of Officers	13	13	14	14	14	13	14	14	12	14	15
Calls for Service	7125	6603	6592	6335	6458	6220	7684	7849	8355	9544	8916
Incident Reports	956	953	864	912	992	1116	858	1033	983	1053	1108
Traffic Citations	488	521	489	555	580	285	273	354	401	556	512
Vehicle Accident Reports	221	160	162	168	152	163	160	157	176	226	959
Adult Arrests	408	409	308	404	452	210	255	297	293	365	403
Juvenile Arrests	143	126	65	82	112	66	45	56	58	50	75
DUI Arrests	60	73	64	65	56	14	31	40	33	75	52
Domestic Disturbance Reports	58	54	75	66	65	75	64	96	78	72	42
Domestic Violence Arrests	34	35	24	35	46	24	32	69	22	32	39
Sex Offense Investigations	15	12	3	15	22	19	15	23	29	22	33
Drug Charges	55	38	44	92	182	39	39	31	74	41	33
Theft Reports	326	257	243	225	259	238	124	290	320	290	203
Burglary Reports	30	19	26	17	15	26	5	23	28	32	14
Vandalism Reports	254	172	201	155	158	133	71	149	140	185	52

Source: City Manager's Recommended Budget

Note: ¹ W-2's and 1099's are processed on a calendar year basis. Each Fiscal year includes items processed within that fiscal year.

CITY OF LIVINGSTON
CAPITAL ASSETS STATISTICS BY FUNCTION/PROGRAM
Past Ten Fiscal Years

		Fiscal Year Ended June 30,										
		2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Public Safety												
Police												
Number of Stations		1	1	1	1	1	1	1	1	1	1	1
Police Vehicles		8	8	8	8	8	8	8	8	8	8	8
Fire												
Number of Stations		1	1	1	1	1	1	1	1	1	1	1
Apparatus		3	2	2	2	2	2	2	2	5	5	8
Ambulance		4	4	4	4	4	4	4	4	4	4	4
Public Works												
Solid Waste												
Collections Trucks		5	5	5	5	5	5	5	5	6	6	6
Streets												
Sweeper Trucks		1	1	1	1	1	1	1	1	1	2	2
Streets (Miles)		39.414	39.414	41.070	41.070	41.070	39.525	40.598	46.752	46.752	43.866	44.036
Alleys (Miles)		14.413	14.413	18.942	18.942	18.942	18.942	18.942	18.942	18.942	18.942	18.249
Secondary Urban Streets (Miles)		9.724	9.724	11.145	11.145	11.145	12.676	12.676	12.676	12.676	15.610	15.663
Culture and Recreation												
Parks												
Number of Parks		6	6	7	8	8	13	13	13	13	13	16
Acres of Parks		40.23	40.23	59.067	100.571	100.571	150	150	150	150	150	135.54
Number of Swimming/Splash Parks		1	1	1	1	1	1	2	2	2	2	2

Source: City Manager's Recommended Budget

PART IV

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS



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INDEPENDENT AUDITORS' 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

City Commissioners and City Manager
City of Livingston, Montana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Livingston, Montana, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the City of Livingston, Montana's basic financial statements and have issued our report thereon dated December 3, 2019.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City'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 entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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



Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and responses (2019-C-1, 2019-C-2).

City's Response to Findings

The City of Livingston, Montana's response to the findings identified in our audit is described in the accompanying schedule of findings and responses. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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 entity's internal control or on compliance. This report is an integral part of the audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Amatics CPA Group

Bozeman, Montana

November 15, 2019

CITY OF LIVINGSTON, MONTANA
SCHEDULE OF FINDINGS AND RESPONSES
JUNE 30, 2019

The results of our tests disclosed two instances of noncompliance with certain provisions of laws, regulations, contracts and grant agreements and other matters and no internal control deficiencies required to be reported under *Government Auditing Standards* as of June 30, 2019.

2019-C-1 Criteria: According to MCA 7-6-4030, the governing body's final budget must be balanced so that appropriations do not exceed the projected beginning balance plus the estimated revenue of each fund for the fiscal year.

Condition: Multiple City funds were budgeted for deficit spending (appropriations in excess of the projected beginning balance plus the estimated revenue of the fund for the fiscal year). The funds with significant budgeted deficits were as follows: Dispatch/Communication \$52,374, CDBG \$61,211, and Sidewalks \$67,551.

Effect: The City is out of compliance with MCA budget requirements.

Cause: In some cases, the City has future bond proceeds that will offset the budgeted current year deficits. In other funds, the City did not amend the formal adopted budget to balance the funds' budgets.

Recommendation: The City's governing body should review budgeted deficit spending in funds and should limit appropriations to the projected beginning balance plus the estimated revenue of the fund for the fiscal year.

Response: The City has incurred costs related to certain infrastructure projects that are the responsibility of the benefitting property owners. To assist with this cost, the City provides financing, when needed, and collects the property owners portion through special assessments. As a result, expenditures are often made prior to the revenue being collected. The deficit fund balance will be eliminated once all assessments have been collected from property owners.

2019-C-2 Criteria: According to MCA 17-2-302, a local government may not maintain a cash balance in a charge for service fund greater than twice the fund's appropriation. Per MCA 17-2-303, if a local government maintains for more than 60 days a cash balance greater than the limitation in 17-2-302, a local government must reduce the charge for service within 120 days.

Condition: The Impact Fees fund maintains a cash balance greater than twice the fund's appropriation.

Effect: The City is out of compliance with MCA requirements.

Cause: The fees charged by the City have allowed the fund to accumulate a cash balance in excess of the allowed limits under MCA.

Recommendation: The City's governing body should review the MCA requirements and address the charge for service compliance.

Response: The City does not intend to reduce the charges for services since they have budgeted to spend the majority of these funds in fiscal year 2020.

**CITY OF LIVINGSTON
STATUS OF PRIOR YEAR FINDINGS
JUNE 30, 2019**

The results of our tests disclosed one instance of noncompliance with certain provisions of laws, regulations, contracts and grant agreements and other matters and no internal control deficiencies required to be reported under *Government Auditing Standards* as of June 30, 2018.

2018-C-1 Criteria: According to MCA 7-6-4030, the governing body's final budget must be balanced so that appropriations do not exceed the projected beginning balance plus the estimated revenue of each fund for the fiscal year.

Condition: Multiple City funds were budgeted for deficit spending (appropriations in excess of the projected beginning balance plus the estimated revenue of the fund for the fiscal year). The funds with significant budgeted deficits were as follows: Emergency Disaster SRF \$20,914, Sidewalks SRF \$30,366, SID 180 DSF \$12,718.

Effect: The City is out of compliance with MCA budget requirements.

Cause: In some cases, the City has future bond proceeds that will offset the budgeted current year deficits. In other funds, the City did not amend the formal adopted budget to balance the funds' budgets.

Recommendation: The City's governing body should review budgeted deficit spending in funds and should limit appropriations to the projected beginning balance plus the estimated revenue of the fund for the fiscal year.

Status: See current year finding 2019-C-1.