



CITY OF LIVINGSTON, MONTANA  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Prepared by the City of Livingston Finance Department

CITY OF LIVINGSTON, MONTANA  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
JUNE 30, 2020

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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

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December 15, 2020

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, 2020 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 7,801 as of the 2019 census estimate, it is the 12<sup>th</sup> 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 2020 the city issued 172 building permits, 59 of which were for residential units. In addition, the city has seen an increased interest from developers for residential construction.

As of July 2020, Montana's unemployment rate was 6.5% and Park County had a rate of 6.9%, compared to the national rate of 10.2%. Average salaries for the state were \$44,883, 16.1% lower than the national average of \$53,490, and only \$38,069 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. Improvements continued into 2020 and will be completed in the Fall. Future infrastructure projects will be focus in areas outside of Downtown.

In the early fall of 2018 the City began creating it's 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](http://livingstonmontana.org)). This document is updated as need if priorities of the City have changed.

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

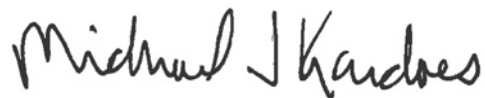
The Government Finance Officers' Association (GFOA) awarded the Certificate of Achievement for Excellence in Financial Reporting to the City of Livingston for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2019. This was the eighth year the City has received this 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

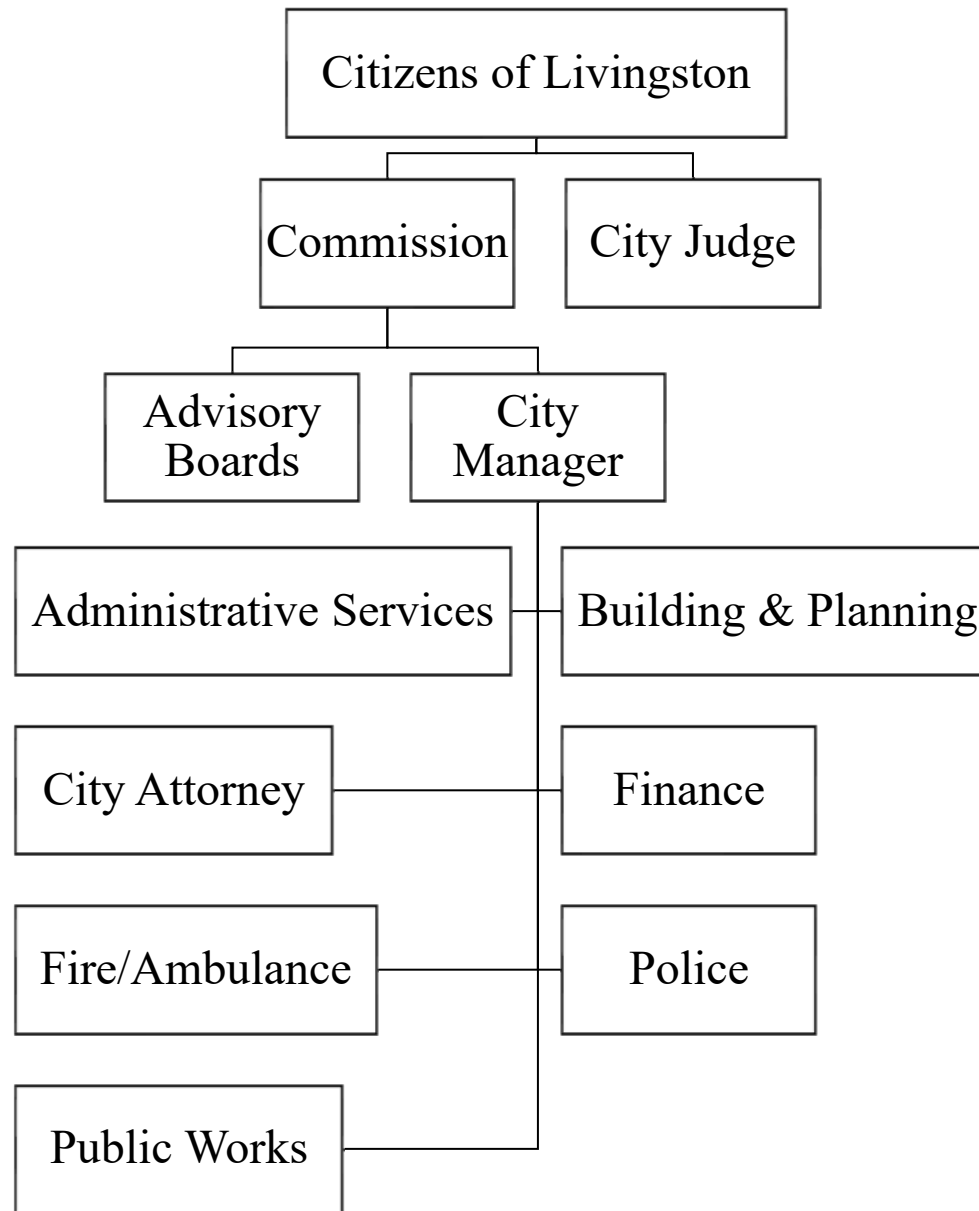
**City of Livingston  
Montana**

For its Comprehensive Annual  
Financial Report  
For the Fiscal Year Ended

June 30, 2019

*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

Courtney Lawellin

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, 2020, 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, 2020, 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 schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements, budget and actual schedules – nonmajor funds, and the schedule of expenditures of federal awards 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, budget and actual schedules – nonmajor funds, and the schedule of expenditures of federal awards 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 December 15, 2020, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

***Amatics CPA Group***  
Bozeman, Montana  
December 15, 2020

## A. MANAGEMENT'S DISCUSSION AND ANALYSIS

**CITY OF LIVINGSTON, MONTANA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**June 30, 2020**

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, 2020.

**Financial Highlights**

The City's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at June 30 by \$38,785,246 (net position). Of this amount, \$2,900,489 is unrestricted net position, an increase of \$908,852.

- Total net position increased by \$2,865,356 from the prior fiscal year. This is a result of an increase of \$1,837,414 in the City's net investment in capital assets, \$119,090 in restricted net position, and \$908,852 in unrestricted net position from fiscal year 2019.
- As of June 30, the City's governmental funds reported combined ending fund balances of \$5,749,031, an increase of \$948,533 from the prior year. Of this amount, \$4,601,840 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, 2020**

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-11 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-13 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-18 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-24 of this report.

**Other Information.** All required supplementary information is included beginning on page II-75.

**CITY OF LIVINGSTON, MONTANA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**June 30, 2020**

**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 \$38,785,246 at June 30, 2020.

The largest portion of the City's net position (\$33,907,654 or 87.4%) 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	
	2019	2020	2019	2020	2019	2020
Current and other assets	\$ 5,871,018	\$ 6,441,682	\$ 4,712,258	\$ 5,069,443	\$ 10,583,276	\$ 11,511,125
Capital assets	16,126,150	16,719,265	35,123,294	36,328,520	51,249,444	53,047,785
Total assets	<u>21,997,168</u>	<u>23,160,947</u>	<u>39,835,552</u>	<u>41,397,963</u>	<u>61,832,720</u>	<u>64,558,910</u>
Deferred outflows of resources	<u>798,910</u>	<u>830,700</u>	<u>433,178</u>	<u>420,507</u>	<u>1,232,088</u>	<u>1,251,207</u>
Long-term liabilities outstanding	7,443,480	7,302,654	16,993,893	17,842,858	24,437,373	25,145,512
Other liabilities	919,840	610,791	680,207	275,452	1,600,047	886,243
Total liabilities	<u>8,363,320</u>	<u>7,913,445</u>	<u>17,674,100</u>	<u>18,118,310</u>	<u>26,037,420</u>	<u>26,031,755</u>
Deferred inflows of resources	<u>698,046</u>	<u>625,348</u>	<u>409,452</u>	<u>367,768</u>	<u>1,107,498</u>	<u>993,116</u>
Net position:						
Net investment in capital assets	12,400,281	13,341,285	19,669,959	20,566,369	32,070,240	33,907,654
Restricted	942,249	1,130,133	915,764	846,970	1,858,013	1,977,103
Unrestricted	392,182	981,436	1,599,455	1,919,053	1,991,637	2,900,489
Total net position	<u>\$ 13,734,712</u>	<u>\$ 15,452,854</u>	<u>\$ 22,185,178</u>	<u>\$ 23,332,392</u>	<u>\$ 35,919,890</u>	<u>\$ 38,785,246</u>

**CITY OF LIVINGSTON, MONTANA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**June 30, 2020**

An additional portion of the City's net position (\$1,977,103 or 5.1%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (\$2,900,489 or 7.5%) may be used to meet the City's ongoing obligations to citizens and creditors.

At June 30, 2020, 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 \$2,865,356.

**Governmental Activities.** Governmental activities in fiscal year 2020 increased the City's net position by \$1,718,142. The key element of this increase is due to an increase in Operating Grants and Contributions. This City received \$567,731 in revenue from the Coronavirus Aid, Relief, and Economic Security (CARES) Act that was not anticipated. 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 \$1,147,214. 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 \$5,749,031, an increase of \$948,533 in comparison with the prior year. Of this amount, \$1,147,191 or 20% is restricted to indicate that it is not available for new spending, \$4,601,840 is available for spending at the government's discretion.

The General fund is the primary operating fund of the City. At June 30, 2020, total fund balance was \$2,239,046, of which \$2,221,988 was unassigned and \$17,058 was non-spendable. The unassigned fund balance represents 40.4% of the general fund operating expenditures and transfers out. The fund balance increased \$824,268 during the current fiscal year as a result of additional tax collections, intergovernmental revenue and transfers in from other funds.

The Tax Increment District – Downtown had an ending fund balance of \$490,453, a decrease of \$611,110 from the prior year. This decrease in fund balance is from the completion of downtown infrastructure improvements. The bond proceeds for this project were received during in the prior fiscal year. Also of note, tax revenue increased \$184,943 from the previous year due to the bi-annual property valuation completed by the State of Montana.

**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, including transfers out, in the General fund were \$5,626,063, while appropriations were \$5,994,246, resulting an unexpended balance of \$368,183. Unexpended funds are the result of certain grant revenue and related expenditures anticipated during the budget cycle but not received.

**CITY OF LIVINGSTON, MONTANA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**June 30, 2020**

**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 \$53,047,785. 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-33 of this report.

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

Governmental

- Street shop roof - \$29,500
- Civic Center kitchen remodel - \$2,638
- Downtown capital improvements - \$1,080,210
- Light poles - \$52,345
- O Street trail connector - \$5,059
- Hi-way spreader - \$12,678
- Caterpillar loader - \$6,895
- 400U-10 Dump body - \$10,047
- Wildcat snow blower - \$20,000

Proprietary

- Ford F-150 - \$7,035
- Ford type I ambulance - \$196,163
- Downtown capital improvements - \$57,261
- Water reclamation facility - \$964,228
- John Deere loader - \$79,932
- Sewer flow monitoring equipment - \$19,529
- Solar system for WRF - \$79,998
- 5th - 8th sewer improvements - \$374,076
- Solid Waste vehicle barn - \$245,521
- Metal roll-off garbage bins - \$25,548
- Excavator and trailer - \$129,659
- Park street water main upgrades - \$550,164

**CITY OF LIVINGSTON, MONTANA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**June 30, 2020**

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

<b>City of Livingston</b>			
<b>Capital Assets</b>			
(net of accumulated depreciation)			
	Governmental Activities	Business-type Activities	Total
Non-depreciable assets:			
Land	\$ 375,226	\$ 52,980	\$ 428,206
Construction in progress	1,769,420	351,541	\$ 2,120,961
	<u>2,144,646</u>	<u>404,521</u>	<u>2,549,167</u>
Depreciable assets:			
Buildings	2,312,090	2,081,375	4,393,465
Improvements other than buildings	1,635,460	-	1,635,460
Machinery and equipment	1,923,351	1,302,869	3,226,220
Infrastructure	8,703,718	32,539,755	41,243,473
	<u>14,574,619</u>	<u>35,923,999</u>	<u>50,498,618</u>
Total capital assets	<u>\$ 16,719,265</u>	<u>\$ 36,328,520</u>	<u>\$ 53,047,785</u>

**CITY OF LIVINGSTON, MONTANA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**June 30, 2020**

**Long-Term Debt.** As of June 30, the City had total debt outstanding of \$19,140,131. Of this amount \$650,178 comprises debt backed by the full faith and credit of the government; \$2,169,008 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; \$15,762,151 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 \$558,794 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-37 of this report.

**City of Livingston**  
**Outstanding Debt as of June 30, 2020**

	Governmental Activities	Business-type Activities	Total
General obligation bonds	\$ 650,178	\$ -	\$ 650,178
Notes payable	408,794	-	408,794
Special assessment debt with government commitment	150,000	-	150,000
Tax increment	2,169,008	-	2,169,008
Revenue bonds	-	15,762,151	15,762,151
Total	<u>\$ 3,377,980</u>	<u>\$ 15,762,151</u>	<u>\$ 19,140,131</u>

**CITY OF LIVINGSTON, MONTANA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**June 30, 2020**

**Economic Factors and Next Year's Budgets and Rates**

The City changed various rates for fiscal year 2020 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:

	<u>Average Rate Increase</u>
<b>Governmental:</b>	
Street Maintenance District	0%
Light Maintenance District	0%
<b>Proprietary:</b>	
Water	3%
Wastewater	0%
Solid Waste	17%

**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, 2020**

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and investments	\$ 3,664,600	\$ 3,201,548	\$ 6,866,148
Restricted cash and investments	293,564	710,035	1,003,599
Receivables, net	2,449,402	1,191,976	3,641,378
Internal balances	34,116	(34,116)	-
Capital assets			
Nondepreciable land	375,226	52,980	428,206
Construction in progress	1,769,420	351,541	2,120,961
Other capital assets, net of depreciation	14,574,619	35,923,999	50,498,618
Total capital assets	<u>16,719,265</u>	<u>36,328,520</u>	<u>53,047,785</u>
Total assets	<u>23,160,947</u>	<u>41,397,963</u>	<u>64,558,910</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows - pensions	750,850	379,117	1,129,967
Deferred outflows - other post employment benefits	79,850	41,390	121,240
Total deferred outflows of resources	<u>830,700</u>	<u>420,507</u>	<u>1,251,207</u>
<b>LIABILITIES</b>			
Accounts payable and accrued expenses	175,007	186,819	361,826
Compensated absences payable	90,000	40,000	130,000
Current portion long-term debt	345,784	448,633	794,417
Long-term liabilities			
Compensated absences	369,173	151,951	521,124
Other post-employment health benefits	652,136	338,031	990,167
Net pension liability	3,249,149	1,639,358	4,888,507
Long-term debt due in more than one year	3,032,196	15,313,518	18,345,714
Total liabilities	<u>7,913,445</u>	<u>18,118,310</u>	<u>26,031,755</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows - pensions	342,293	221,047	563,340
Deferred inflows - other post-employment health benefits	283,055	146,721	429,776
Total deferred inflows of resources	<u>625,348</u>	<u>367,768</u>	<u>993,116</u>
<b>NET POSITION</b>			
Net investment in capital assets	13,341,285	20,566,369	33,907,654
Restricted - nonexpendable	244,878	-	244,878
Restricted for public safety	49,947	-	49,947
Restricted for public works	378,038	-	378,038
Restricted for culture and recreation	35,732	-	35,732
Restricted for debt service	421,538	846,970	1,268,508
Unrestricted	981,436	1,919,053	2,900,489
Total net position	<u>\$ 15,452,854</u>	<u>\$ 23,332,392</u>	<u>\$ 38,785,246</u>

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

**CITY OF LIVINGSTON, MONTANA**  
**STATEMENT OF ACTIVITIES**  
**Year Ended June 30, 2020**

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		Total
					Governmental Activities	Business-type Activities	
Primary Government:							
Governmental activities:							
General government	\$ 1,460,018	\$ 336,710	\$ 638,733	\$ -	\$ (484,575)	\$ -	\$ (484,575)
Public safety	3,760,377	696,516	491,308	6,400	(2,566,153)	-	(2,566,153)
Public works	1,633,362	1,350,824	149,697	62,906	(69,935)	-	(69,935)
Public health	160,943	21,812	-	-	(139,131)	-	(139,131)
Culture and recreation	1,286,079	97,082	527,147	-	(661,850)	-	(661,850)
Interest, fiscal fees, and debt costs	124,641	-	-	-	(124,641)	-	(124,641)
Total governmental activities	<u>8,425,420</u>	<u>2,502,944</u>	<u>1,806,885</u>	<u>69,306</u>	<u>(4,046,285)</u>		<u>(4,046,285)</u>
Business-type activities:							
Water	1,183,508	1,646,245	8,224	-	-	470,961	470,961
Sewer	2,453,140	2,565,974	10,978	232,668	-	356,480	356,480
Solid Waste	2,029,699	2,473,568	9,733	-	-	453,602	453,602
Ambulance	1,561,738	1,891,558	234,861	-	-	564,681	564,681
Total business-type activities	<u>7,228,085</u>	<u>8,577,345</u>	<u>263,796</u>	<u>232,668</u>	<u>-</u>	<u>1,845,724</u>	<u>1,845,724</u>
Total primary government	<u>\$ 15,653,505</u>	<u>\$ 11,080,289</u>	<u>\$ 2,070,681</u>	<u>\$ 301,974</u>	<u>(4,046,285)</u>	<u>1,845,724</u>	<u>(2,200,561)</u>
General revenues:							
Property taxes, levied for general purposes					3,646,615	28,628	3,675,243
Property taxes, levied for debt service					60,057	-	60,057
Grants and contributions not restricted to specific programs					1,177,400	-	1,177,400
Unrestricted investment earnings					24,828	28,870	53,698
Miscellaneous					97,407	2,112	99,519
Total general revenues					<u>5,006,307</u>	<u>59,610</u>	<u>5,065,917</u>
Transfers					<u>758,120</u>	<u>(758,120)</u>	<u>-</u>
					<u>5,764,427</u>	<u>(698,510)</u>	<u>5,065,917</u>
Change in net position					1,718,142	1,147,214	2,865,356
Net position-beginning					<u>13,734,712</u>	<u>22,185,178</u>	<u>35,919,890</u>
Net position-ending					<u>\$ 15,452,854</u>	<u>\$ 23,332,392</u>	<u>\$ 38,785,246</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.

**CITY OF LIVINGSTON, MONTANA**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**June 30, 2020**

	<u><b>General</b></u>	<u><b>Tax Increment District Downtown</b></u>	<u><b>Other Governmental Funds</b></u>	<u><b>Total Governmental Funds</b></u>
<b>ASSETS</b>				
Current assets				
Cash and cash equivalents	\$ 1,776,091	\$ 129,707	\$ 1,758,802	\$ 3,664,600
Receivables:				
Property taxes	36,174	8,903	10,492	55,569
Customers, net	50,883	-	14,488	65,371
Other	40,000	-	731,431	771,431
Special assessments	-	4,718	414,854	419,572
Other governments	464,007	60,471	612,981	1,137,459
Due from other City funds	17,058	138,100	22,608	177,766
Restricted cash and cash equivalents	32,722	162,175	98,667	293,564
<b>Total assets</b>	<u><u>\$ 2,416,935</u></u>	<u><u>\$ 504,074</u></u>	<u><u>\$ 3,664,323</u></u>	<u><u>\$ 6,585,332</u></u>

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

**CITY OF LIVINGSTON, MONTANA  
BALANCE SHEET (CONTINUED)  
GOVERNMENTAL FUNDS  
June 30, 2020**

	<u>General</u>	<u>Tax Increment District Downtown</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 61,977	\$ -	\$ 75,795	\$ 137,772
Court bonds payable	37,235	-	-	37,235
Due to other City funds	-	-	143,650	143,650
	<u>-</u>	<u>-</u>	<u>143,650</u>	<u>143,650</u>
<b>Total liabilities</b>	<u>99,212</u>	<u>-</u>	<u>219,445</u>	<u>318,657</u>
<b>Deferred inflows of resources:</b>				
Deferred inflows - tax revenues	36,174	8,903	9,340	54,417
Deferred inflows - special assessments	-	4,718	416,006	420,724
Deferred inflows - court fines	42,503	-	-	42,503
	<u>42,503</u>	<u>-</u>	<u>-</u>	<u>42,503</u>
<b>Total deferred inflows of resources</b>	<u>78,677</u>	<u>13,621</u>	<u>425,346</u>	<u>517,644</u>
<b>Fund balances:</b>				
Nonspendable	17,058	-	244,878	261,936
Restricted	-	-	885,255	885,255
Committed	-	490,453	2,025,502	2,515,955
Unassigned	2,221,988	-	(136,103)	2,085,885
	<u>2,221,988</u>	<u>-</u>	<u>(136,103)</u>	<u>2,085,885</u>
<b>Total fund balances</b>	<u>2,239,046</u>	<u>490,453</u>	<u>3,019,532</u>	<u>5,749,031</u>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<u><u>\$ 2,416,935</u></u>	<u><u>\$ 504,074</u></u>	<u><u>\$ 3,664,323</u></u>	<u><u>\$ 6,585,332</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, 2020**

Fund balances - total governmental funds	\$	5,749,031
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Amounts reported for *governmental activities* 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	\$	23,758,571	
Less: accumulated depreciation		<u>(7,039,306)</u>	
			16,719,265

Advances and deferred inflows in the governmental funds are reported on the full accrual basis in the entity-wide statements.		517,644
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Deferred outflows related to pensions are not receivable in the current period and therefore are not reported in the governmental funds.		830,700
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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.		(625,348)
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Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.

Bonds payable		(3,318,794)	
Unamortized bond issuance premium		(59,186)	
Net pension liability		(3,249,149)	
Other post-employment health benefits		(652,136)	
Compensated absences		<u>(459,173)</u>	
			<u>(7,738,438)</u>

Net position of governmental activities	\$	<u><u>15,452,854</u></u>
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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, 2020**

	<b>General</b>	<b>Tax Increment District Downtown</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>REVENUES</b>				
Taxes	\$ 2,443,664	\$ 379,256	\$ 883,672	\$ 3,706,592
Special assessments	-	5,680	1,352,035	1,357,715
Licenses and permits	349,841	-	16,600	366,441
Intergovernmental	2,215,651	40,967	796,973	3,053,591
Charges for services	101,805	-	529,675	631,480
Fines and forfeitures	121,384	-	771	122,155
Interest on investments	7,266	3,504	14,058	24,828
Other	84,032	-	13,375	97,407
Total revenues	<u>5,323,643</u>	<u>429,407</u>	<u>3,607,159</u>	<u>9,360,209</u>
<b>EXPENDITURES</b>				
Current				
General government	1,342,739	11,805	66,562	1,421,106
Public safety	2,740,002	-	759,575	3,499,577
Public works	395,892	-	885,403	1,281,295
Public health	150,626	-	1,794	152,420
Culture and recreation	530,594	-	536,811	1,067,405
Capital outlay	120,814	869,787	398,919	1,389,520
Debt service				
Principal payments	8,001	92,072	267,816	367,889
Interest and fiscal fees	2,095	66,853	55,693	124,641
Total expenditures	<u>5,290,763</u>	<u>1,040,517</u>	<u>2,972,573</u>	<u>9,303,853</u>
Excess (deficiency) of revenues over expenditures	<u>32,880</u>	<u>(611,110)</u>	<u>634,586</u>	<u>56,356</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	1,126,688	-	648,557	1,775,245
Transfers out	(335,300)	-	(681,825)	(1,017,125)
Issuance of debt	-	-	20,000	20,000
Total other financing sources (uses)	<u>791,388</u>	<u>-</u>	<u>(13,268)</u>	<u>778,120</u>
Net change in fund balances	<u>824,268</u>	<u>(611,110)</u>	<u>621,318</u>	<u>834,476</u>
<b>FUND BALANCE -</b>				
beginning of year, originally reported	1,414,778	1,101,563	2,284,157	4,800,498
prior period adjustment	-	-	114,057	114,057
beginning of year, restated	<u>1,414,778</u>	<u>1,101,563</u>	<u>2,398,214</u>	<u>4,914,555</u>
<b>FUND BALANCE -</b>				
end of year	<u>\$ 2,239,046</u>	<u>\$ 490,453</u>	<u>\$ 3,019,532</u>	<u>\$ 5,749,031</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, 2020**

Net change in fund balances - total governmental funds		\$ 834,476
Amounts reported for <i>governmental activities</i> 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	\$ 1,389,520	
Less: current year depreciation	<u>(796,406)</u>	
		593,114
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	(20,000)	
Principal payments	<u>367,889</u>	
		347,889
Governmental funds do not report a liability for other post-employment health benefits and net pension liabilities.		(63,248)
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.		25,233
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		<u>(19,322)</u>
Change in net position of governmental activities		<u><u>\$ 1,718,142</u></u>

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, 2020**

	Business-type Activities Enterprise Funds				
	Water	Sewer	Solid Waste	Ambulance	Total
<b>ASSETS</b>					
Current assets					
Cash and cash equivalents	\$ 1,188,318	\$ 1,564,820	\$ 83,934	\$ 364,476	\$ 3,201,548
Receivables:					
Taxes	-	-	-	564	564
Customers receivables, net	188,220	269,731	260,033	203,157	921,141
Other	976	-	-	-	976
Special assessments	155	116	102	-	373
Other governments	-	-	-	268,922	268,922
Due from other City funds	-	17,058	-	-	17,058
Total current assets	1,377,669	1,851,725	344,069	837,119	4,410,582
Noncurrent assets					
Restricted cash and investments	-	710,035	-	-	710,035
Total noncurrent assets	-	710,035	-	-	710,035
Property, plant and equipment					
Nondepreciable:					
Land	52,980	-	-	-	52,980
Construction work in process	17,455	24,590	309,496	-	351,541
Depreciable:					
Buildings	645,920	4,285,681	958,814	165,261	6,055,676
Machinery and equipment	909,443	1,249,164	1,614,049	743,132	4,515,788
Source of supply	1,228,040	-	-	-	1,228,040
Transmission and distribution	9,948,236	8,783,845	-	-	18,732,081
General plant	48,164	23,532,236	-	-	23,580,400
Accumulated depreciation and amortization	(5,623,521)	(10,624,493)	(1,352,647)	(587,325)	(18,187,986)
Net property, plant and equipment	7,226,717	27,251,023	1,529,712	321,068	36,328,520
Total assets	8,604,386	29,812,783	1,873,781	1,158,187	41,449,137
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred outflows related to pensions	68,000	90,767	80,475	139,875	379,117
Deferred outflows - other post-employment health benefits	8,664	10,758	10,161	11,807	41,390
	76,664	101,525	90,636	151,682	420,507

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

**CITY OF LIVINGSTON, MONTANA**  
**STATEMENT OF NET POSITION (CONTINUED)**  
**PROPRIETARY FUNDS**  
**June 30, 2020**

	Business-type Activities				
	Enterprise Funds				
	Water	Sewer	Solid Waste	Ambulance	Total
<b>LIABILITIES</b>					
Current liabilities					
Accounts payable	\$ 8,722	\$ 6,783	\$ 164,384	\$ 5,684	\$ 185,573
Utility deposit payable	1,246	-	-	-	1,246
Due to other City funds	-	-	51,174	-	51,174
Compensated absences	9,000	13,000	8,000	10,000	40,000
Bonds, notes, and loans payable	-	448,633	-	-	448,633
Total current liabilities	18,968	468,416	223,558	15,684	726,626
Noncurrent liabilities					
Compensated absences	10,415	43,365	50,426	47,745	151,951
Other post-employment health benefits	70,759	87,860	82,986	96,426	338,031
Net pension liability	371,857	496,360	440,077	331,064	1,639,358
Bonds, notes, and loans payable	-	15,313,518	-	-	15,313,518
Total noncurrent liabilities	453,031	15,941,103	573,489	475,235	17,442,858
Total liabilities	471,999	16,409,519	797,047	490,919	18,169,484
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred inflows - pensions	57,568	76,843	68,129	18,507	221,047
Deferred inflows - other post-employment health benefits	30,713	38,135	36,020	41,853	146,721
	88,281	114,978	104,149	60,360	367,768
<b>NET POSITION</b>					
Net investment in capital assets	7,226,717	11,488,872	1,529,712	321,068	20,566,369
Restricted for debt service	-	846,970	-	-	846,970
Unrestricted	894,053	1,053,969	(466,491)	437,522	1,919,053
Total net position	\$ 8,120,770	\$ 13,389,811	\$ 1,063,221	\$ 758,590	\$ 23,332,392

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, 2020**

	<b>Business-type Activities Enterprise Funds</b>				
	<b>Water</b>	<b>Sewer</b>	<b>Solid Waste</b>	<b>Ambulance</b>	<b>Totals</b>
<b>OPERATING REVENUES</b>					
Charges for services	\$ 1,646,240	\$ 2,519,581	\$ 2,473,555	\$ 1,890,558	\$ 8,529,934
Special assessments	5	-	13	-	18
Total operating revenues	<u>1,646,245</u>	<u>2,519,581</u>	<u>2,473,568</u>	<u>1,890,558</u>	<u>8,529,952</u>
<b>OPERATING EXPENSES</b>					
Personal services	488,160	687,713	592,422	1,315,968	3,084,263
Depreciation and amortization	327,590	1,011,280	129,141	55,876	1,523,887
Supplies, service, materials	<u>365,937</u>	<u>425,254</u>	<u>1,305,110</u>	<u>189,894</u>	<u>2,286,195</u>
Total operating expenses	<u>1,181,687</u>	<u>2,124,247</u>	<u>2,026,673</u>	<u>1,561,738</u>	<u>6,894,345</u>
Operating income	<u>464,558</u>	<u>395,334</u>	<u>446,895</u>	<u>328,820</u>	<u>1,635,607</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>					
Interest income	9,917	17,517	(278)	1,714	28,870
Interest expense	(1,821)	(328,893)	(3,026)	-	(333,740)
Other revenue	-	46,393	-	1,000	47,393
Intergovernmental revenue	8,224	243,646	9,733	234,861	496,464
Sale of capital assets	-	-	-	2,112	2,112
Tax revenue	<u>-</u>	<u>-</u>	<u>-</u>	<u>28,628</u>	<u>28,628</u>
Total non-operating revenues (expenses)	<u>16,320</u>	<u>(21,337)</u>	<u>6,429</u>	<u>268,315</u>	<u>269,727</u>
Income before contributions and transfers	480,878	373,997	453,324	597,135	1,905,334
Transfers out	<u>(179,813)</u>	<u>(237,103)</u>	<u>(203,732)</u>	<u>(137,472)</u>	<u>(758,120)</u>
<b>Change in net position</b>	301,065	136,894	249,592	459,663	1,147,214
<b>NET POSITION,</b> beginning of year	<u>7,819,705</u>	<u>13,252,917</u>	<u>813,629</u>	<u>298,927</u>	<u>22,185,178</u>
<b>NET POSITION,</b> end of year	<u><u>\$ 8,120,770</u></u>	<u><u>\$ 13,389,811</u></u>	<u><u>\$ 1,063,221</u></u>	<u><u>\$ 758,590</u></u>	<u><u>\$ 23,332,392</u></u>

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, 2020**

	Business-type Activities				
	Enterprise Funds				
	Water	Sewer	Solid Waste	Ambulance	Total
<b>Increase (Decrease) in Cash and Cash Equivalents</b>					
<b>Cash Flows from Operating Activities:</b>					
Receipts from customers	\$ 1,601,500	\$ 2,526,938	\$ 2,517,405	\$ 1,753,261	\$ 8,399,104
Receipts from (payments to) others	(431)	325	812	1,000	1,706
Operating loans from (to) other funds	-	191,061	(224,182)	-	(33,121)
Payments to suppliers	(408,516)	(460,579)	(1,153,119)	(195,198)	(2,217,412)
Payments to employees	(507,275)	(667,399)	(588,692)	(1,284,546)	(3,047,912)
<b>Net Cash Provided by Operating Activities</b>	<b>685,278</b>	<b>1,590,346</b>	<b>552,224</b>	<b>274,517</b>	<b>3,102,365</b>
<b>Cash Flows from Noncapital Financing Activities:</b>					
Cash receipts from property taxes	-	-	-	28,650	28,650
Receipts from grants	8,224	290,039	9,733	234,861	542,857
Transfers out	(179,813)	(237,103)	(203,732)	(137,472)	(758,120)
<b>Net Cash Flows Provided (Used) by Noncapital Financing Activities</b>	<b>(171,589)</b>	<b>52,936</b>	<b>(193,999)</b>	<b>126,039</b>	<b>(186,613)</b>
<b>Cash Flows from Capital and Related Financing Activities</b>					
Acquisition of property, plant and equipment	(697,278)	(1,557,570)	(271,069)	(203,196)	(2,729,113)
Principal paid on bonds, interfund loans, loans, and leases	(85,295)	(438,066)	-	-	(523,361)
Proceeds from issuance of bonds, loans, and leases	-	832,178	-	-	832,178
Interest paid on bonds, interfund loans, loans and leases	(1,821)	(328,893)	(3,026)	-	(333,740)
Proceeds from sale of property, plant and equipment	-	-	-	2,112	2,112
<b>Net Cash Flows Used by Capital and Related Financing Activities</b>	<b>(784,394)</b>	<b>(1,492,351)</b>	<b>(274,095)</b>	<b>(201,084)</b>	<b>(2,751,924)</b>
<b>Cash Flows from Investing Activities</b>					
Interest received on investments	9,917	17,517	(278)	1,714	28,870
<b>Net Cash Flows Provided (Used) by Investing Activities</b>	<b>9,917</b>	<b>17,517</b>	<b>(278)</b>	<b>1,714</b>	<b>28,870</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>(260,788)</b>	<b>168,448</b>	<b>83,852</b>	<b>201,186</b>	<b>192,698</b>
Cash and Cash Equivalents at Beginning of Year	1,449,106	2,106,407	82	163,290	3,718,885
<b>Cash and Cash Equivalents at End of Year</b>	<b>\$ 1,188,318</b>	<b>\$ 2,274,855</b>	<b>\$ 83,934</b>	<b>\$ 364,476</b>	<b>\$ 3,911,583</b>
<b>Classified As:</b>					
Current Assets	\$ 1,188,318	\$ 1,564,820	\$ 83,934	\$ 364,476	\$ 3,201,548
Restricted Assets	-	710,035	-	-	710,035
<b>Totals</b>	<b>\$ 1,188,318</b>	<b>\$ 2,274,855</b>	<b>\$ 83,934</b>	<b>\$ 364,476</b>	<b>\$ 3,911,583</b>

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, 2020**

	<b>Business-type Activities Enterprise Funds</b>				
	<u><b>Water</b></u>	<u><b>Sewer</b></u>	<u><b>Solid Waste</b></u>	<u><b>Ambulance</b></u>	<u><b>Total</b></u>
<b>Operating income</b>	<u>\$ 464,558</u>	<u>\$ 395,334</u>	<u>\$ 446,895</u>	<u>\$ 328,820</u>	<u>\$ 1,635,607</u>
<b>Adjustments to reconcile operating income to net cash provided by operating activities</b>					
Depreciation and amortization	327,590	1,011,280	129,141	55,876	1,523,887
<b>Change in assets, deferred outflows, liabilities and deferred inflows:</b>					
(Increase) Decrease in:					
Accounts receivable	(44,745)	7,357	43,837	32,172	38,621
Other receivables	(431)	325	812	(168,469)	(167,763)
Deferred outflows of resources	9,974	8,749	12,276	(18,328)	12,671
Increase (Decrease) in:					
Accounts payable	(42,579)	(35,325)	151,992	(5,304)	68,784
Other post-employment benefits	(1,089)	(538)	(5,115)	9,447	2,705
Net pension liability	15,616	42,933	16,921	12,988	88,458
Deferred inflows of resources	(18,372)	(19,877)	(23,345)	19,910	(41,684)
Loans from other City funds	-	191,061	(224,183)	-	(33,122)
Accrued employee benefits payable	(25,244)	(10,953)	2,993	7,405	(25,799)
<b>Total adjustments</b>	<u>220,720</u>	<u>1,195,012</u>	<u>105,329</u>	<u>(54,303)</u>	<u>1,466,758</u>
<b>Net cash provided by operating activities</b>	<u><u>\$ 685,278</u></u>	<u><u>\$ 1,590,346</u></u>	<u><u>\$ 552,224</u></u>	<u><u>\$ 274,517</u></u>	<u><u>\$ 3,102,365</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, 2020**

	<u>Agency Fund</u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 206,538
Prepaid health insurance	<u>41,772</u>
Total assets	<u><u>\$ 248,310</u></u>
<b>LIABILITIES</b>	
Accounts payable	<u>\$ 248,310</u>
Total liabilities	<u><u>\$ 248,310</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, 2020**

**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.

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, 2020, 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, 2020**

**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, 2020**

**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.

**CITY OF LIVINGSTON, MONTANA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2020**

**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, 2020**

**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 \$139,580 at June 30, 2020. 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.

**Revolving Loan Funds**

The City has contracted a local non-profit economic development entity to administer its CDBG revolving loan funds. The agreement between the City and the entity stipulates administrative and loan service fees paid by the City in exchange for the entity's administration of the loans.

**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 General, Library, Dispatch, Street, Water, Sewer, Solid Waste, 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, 2020**

**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.

**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.

**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, 2020**

**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, 2020**

**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	\$ 3,664,600	\$ 293,564	\$ 3,958,164
Business-type activities	3,201,548	710,035	3,911,583
Fiduciary funds	<u>206,538</u>	<u>-</u>	<u>206,538</u>
	<u>\$ 7,072,686</u>	<u>\$ 1,003,599</u>	<u>\$ 8,076,285</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 (\$5,902,453) 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 0.09% 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, 2020**

**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 day's 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.

	<b>Cash/Cash Equivalents</b>	<b>Investments</b>	<b>Total Fair Value</b>	<b>Maturities</b>	<b>Credit Risk Rating</b>	<b>Fair Value Hierarchy</b>
Petty cash	\$ 1,050	\$ -	\$ 1,050	N/A	N/A	N/A
Demand deposits	5,681,222	-	5,681,222	N/A	FDIC	N/A
Certificate of deposits	-	1,171,584	1,171,584	N/A	FDIC	Level 2
STIP	-	672,429	672,429	N/A	N/A	N/A
U.S. Government bonds	-	550,000	550,000	1-5 years	S&P AA+	Level 2
	<u>\$ 5,682,272</u>	<u>\$ 2,394,013</u>	<u>\$ 8,076,285</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, 2020, were based upon a taxable valuation of \$15,167,046.

**CITY OF LIVINGSTON, MONTANA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2020**

**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, 2019</u>	<u>Additions</u>	<u>Disposals</u>	<u>Transfers</u>	<u>June 30, 2020</u>
<b>Governmental activities:</b>					
Non-depreciable					
Land	\$ 375,226	\$ -	\$ -	\$ -	\$ 375,226
Construction in progress	<u>1,758,920</u>	<u>17,450</u>	<u>-</u>	<u>(6,950)</u>	<u>1,769,420</u>
Total non-depreciable	<u>2,134,146</u>	<u>17,450</u>	<u>-</u>	<u>(6,950)</u>	<u>2,144,646</u>
Depreciable					
Buildings/improvements	3,625,091	55,825	-	6,950	3,687,866
Improvements other than buildings	2,514,648	-	-	-	2,514,648
Machinery and equipment	4,564,076	196,080	-	-	4,760,156
Infrastructure	<u>9,531,089</u>	<u>1,120,165</u>	<u>-</u>	<u>-</u>	<u>10,651,254</u>
Total depreciable	<u>20,234,904</u>	<u>1,372,070</u>	<u>-</u>	<u>6,950</u>	<u>21,613,924</u>
Less accumulated depreciation					
Buildings/improvements	(1,272,889)	(102,887)	-	-	(1,375,776)
Improvements other than buildings	(712,485)	(165,624)	-	-	(878,109)
Machinery and equipment	(2,565,161)	(272,725)	-	-	(2,837,886)
Infrastructure	<u>(1,692,365)</u>	<u>(255,169)</u>	<u>-</u>	<u>-</u>	<u>(1,947,534)</u>
Total accumulated depreciation	<u>(6,242,900)</u>	<u>(796,405)</u>	<u>-</u>	<u>-</u>	<u>(7,039,305)</u>
<b>Total governmental activities</b>	<u>\$ 16,126,150</u>	<u>\$ 593,115</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,719,265</u>



**CITY OF LIVINGSTON, MONTANA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2020**

**4. CAPITAL ASSETS (Continued)**

	<u>June 30, 2019</u>	<u>Additions</u>	<u>Disposals</u>	<u>Transfers/ Adjustments</u>	<u>June 30, 2020</u>
<b>Business-type activities:</b>					
Non-depreciable					
Land	\$ 52,980	\$ -	\$ -	\$ -	\$ 52,980
Construction in progress	<u>17,985,070</u>	<u>280,427</u>	<u>-</u>	<u>(17,913,956)</u>	<u>351,541</u>
Total non-depreciable	<u>18,038,050</u>	<u>280,427</u>	<u>-</u>	<u>(17,913,956)</u>	<u>404,521</u>
Depreciable					
Buildings and systems	29,809,998	1,904,355	(22,164)	17,904,006	49,596,195
Machinery and equipment	<u>4,226,137</u>	<u>544,331</u>	<u>(264,628)</u>	<u>9,950</u>	<u>4,515,790</u>
Total depreciable	<u>34,036,135</u>	<u>2,448,686</u>	<u>(286,792)</u>	<u>17,913,956</u>	<u>54,111,985</u>
Less accumulated depreciation					
Buildings and systems	(13,739,237)	(1,258,027)	22,164	-	(14,975,100)
Machinery and equipment	<u>(3,211,654)</u>	<u>(265,860)</u>	<u>264,628</u>	<u>-</u>	<u>(3,212,886)</u>
Total accumulated depreciation	<u>(16,950,891)</u>	<u>(1,523,887)</u>	<u>286,792</u>	<u>-</u>	<u>(18,187,986)</u>
<b>Total business-type activities</b>	<u>\$ 35,123,294</u>	<u>\$ 1,205,226</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 36,328,520</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, 2020, depreciation expense on capital assets was charged to the functions/programs as follows:

<b>Governmental activities:</b>		<b>Business-type activities:</b>	
General government	\$ 29,892	Water	\$ 327,590
Public safety	196,230	Sewer	1,011,280
Public works	356,260	Solid Waste	129,141
Public health	7,664	Ambulance	<u>55,876</u>
Culture and recreation	<u>206,359</u>	Total - business type activities	<u>\$ 1,523,887</u>
Total - governmental activities	<u>\$ 796,405</u>		

**CITY OF LIVINGSTON, MONTANA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2020**

**5. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS**

Interfund balances as of June 30, 2020, consisted of the following:

	<u><b>Due To</b></u>	<u><b>Due From</b></u>	<u><b>Internal Balances</b></u>
Governmental activities:			
General	\$ -	\$ 17,058	\$ 17,058
Tax increment district downtown	-	138,100	138,100
Nonmajor governmental funds	<u>(143,650)</u>	<u>22,608</u>	<u>(121,042)</u>
Total governmental activities	<u>\$ (143,650)</u>	<u>\$ 177,766</u>	<u>\$ 34,116</u>
Business-type activities			
Water	\$ -	\$ -	\$ -
Sewer	-	17,058	17,058
Solid waste	(51,174)	-	(51,174)
Ambulance	<u>-</u>	<u>-</u>	<u>-</u>
Total business-type activities	<u>\$ (51,174)</u>	<u>\$ 17,058</u>	<u>\$ (34,116)</u>
Total	<u>\$ (194,824)</u>	<u>\$ 194,824</u>	<u>\$ -</u>

The balance of \$51,174 due to the General, Perpetual Cemetery, and Sewer funds resulted in loans made to provide funding for a new solid waste transfer station. \$51,174 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, 2021.

**CITY OF LIVINGSTON, MONTANA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2020**

**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	\$ 1,126,688	\$ (335,300)	\$ 791,388
Nonmajor governmental funds	<u>648,557</u>	<u>(681,825)</u>	<u>(33,268)</u>
Total governmental activities	<u>\$ 1,775,245</u>	<u>\$ (1,017,125)</u>	<u>\$ 758,120</u>
Business-type activities			
Water	\$ -	\$ (179,813)	\$ (179,813)
Sewer	-	(237,103)	(237,103)
Solid waste	-	(203,732)	(203,732)
Ambulance	<u>-</u>	<u>(137,472)</u>	<u>(137,472)</u>
Total business-type activities	<u>\$ -</u>	<u>\$ (758,120)</u>	<u>\$ (758,120)</u>
Total	<u>\$ 1,775,245</u>	<u>\$ (1,775,245)</u>	<u>\$ -</u>

Transfers are used to finance various programs accounted for in individual funds in accordance with budgetary authorizations. Transfers between funds consist of transfers into the General fund from Library, Dispatch, Street, Water, Sewer, Solid Waste, and Ambulance fund in the amount of \$824,511 to cover the cost of administrative expenses paid by the general fund. Funds are also transferred to the Comprehensive Liability fund to cover costs of general insurance for the City. The amount of the transfer into the Comprehensive Liability fund was \$175,092 and was provided by the General, Library, Dispatch, Street, Water, Sewer, Solid Waste, and Ambulance fund. The city received tax revenue from its permissive health insurance levy. The proceeds are transferred to various funds for health insurance costs.

**CITY OF LIVINGSTON, MONTANA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2020**

**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 \$369,173 for governmental activities and \$151,951 for business-type activities at June 30, 2020, 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.

	<b>Balance June 30, 2019</b>	<b>Incurred</b>	<b>Satisfied</b>	<b>Balance June 30, 2020</b>	<b>Due within one year</b>	<b>Due after one year</b>
Compensated absences						
Governmental activities	\$ 439,850	\$ 109,323	\$ (90,000)	\$ 459,173	\$ 90,000	\$ 369,173
Business-type activities	<u>217,750</u>	<u>14,201</u>	<u>(40,000)</u>	<u>191,951</u>	<u>40,000</u>	<u>151,951</u>
Total compensated absences	<u>\$ 657,600</u>	<u>\$ 123,524</u>	<u>\$ (130,000)</u>	<u>\$ 651,124</u>	<u>\$ 130,000</u>	<u>\$ 521,124</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:

	<b>Balance June 30, 2019</b>	<b>Issuances</b>	<b>Repayments</b>	<b>Balance June 30, 2020</b>	<b>Current (Due within one year)</b>	<b>Long-term (Due after one year)</b>
General obligation bonds	\$ 716,953	\$ -	\$ (66,775)	\$ 650,178	\$ 36,775	\$ 613,403
Notes payable	511,836	20,000	(123,042)	408,794	122,937	285,857
Special improvement	176,000	-	(26,000)	150,000	27,000	123,000
Tax increment	<u>2,321,080</u>	<u>-</u>	<u>(152,072)</u>	<u>2,169,008</u>	<u>159,072</u>	<u>2,009,936</u>
Totals	<u>\$ 3,725,869</u>	<u>\$ 20,000</u>	<u>\$ (367,889)</u>	<u>\$ 3,377,980</u>	<u>\$ 345,784</u>	<u>\$ 3,032,196</u>

**CITY OF LIVINGSTON, MONTANA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2020**

**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:

	<b>Original Amount</b>	<b>Term</b>	<b>Interest Rate</b>	<b>Balance June 30, 2020</b>	<b>Due within one year</b>
2016 Fire Truck GO Bonds	\$ 750,000	20 yr	1.5% - 4.0%	\$ 620,000	35,000
2016 bond issuance premium	\$ 35,503	20 yr	1.5% - 4.0%	30,178	1,775
				<u>\$ 650,178</u>	<u>\$ 36,775</u>

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

<b>Year ending June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
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	36,775	17,544	54,319
2026-2030	148,875	60,460	209,335
2031-2035	228,875	42,240	271,115
2036-2040	98,553	4,530	103,083
	<u>\$ 650,178</u>	<u>\$ 201,774</u>	<u>\$ 851,952</u>

**CITY OF LIVINGSTON, MONTANA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2020**

**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:

	<b>Original Amount</b>	<b>Term</b>	<b>Interest Rate</b>	<b>Balance June 30, 2020</b>	<b>Due within one year</b>
Street maintenance	\$ 400,000	10 yr	Variable, 1.00%	\$ 124,957	\$ 41,244
Railroad underpass	\$ 150,000	5 yr	Variable, 0.00%	30,616	30,616
Dispatch remodel	\$ 75,000	10 yr	Variable, 2.50%	54,109	7,216
DOT Aeronatics - Airport	\$ 9,625	10 yr	1.625%	3,777	963
Snowblower	\$ 20,000	4 yr	Variable, 2.50%	17,898	4,260
Freightliner Street Sweeper	\$ 240,000	5 yr	Variable, 3.15%	177,437	38,638
				<u>\$ 408,794</u>	<u>\$ 122,937</u>

Notes payable debt service requirements to maturity are as follows:

Year ending June 30,	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2021	\$ 122,937	\$ 6,591	\$ 129,528
2022	102,213	6,413	108,626
2023	100,279	4,193	104,472
2024	59,226	2,175	61,401
2025	24,139	902	25,041
	<u>\$ 408,794</u>	<u>\$ 20,274</u>	<u>\$ 429,068</u>

**CITY OF LIVINGSTON, MONTANA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2020**

**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:

	<b>Original Amount</b>	<b>Term</b>	<b>Interest Rate</b>	<b>Balance June 30, 2020</b>	<b>Due within one year</b>
SID No. 179 No. 1-2006	\$ 322,088	20 yr	3.75%	\$ 98,000	\$ 18,000
SID No. 179 No. 2-2006	\$ 158,500	20 yr	3.75%	52,000	9,000
				<u>\$ 150,000</u>	<u>\$ 27,000</u>

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

Year ending June 30,	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
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	33,000	500	33,500
	<u>\$ 150,000</u>	<u>\$ 8,550</u>	<u>\$ 158,550</u>

**CITY OF LIVINGSTON, MONTANA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2020**

**7. LONG-TERM DEBT (Continued)**

Tax Increment Bonds

The City issues tax increment bonds to provide funds for water, sewer, streets, and sidewalks. The bonds are repaid from the tax dollars received by the City from its west end tax increment area and downtown tax increment area. Tax increment bonds outstanding are as follows:

	<b>Original Amount</b>	<b>Term</b>	<b>Interest Rate</b>	<b>Balance June 30, 2020</b>	<b>Due within one year</b>
Tax increment bonds-2006	\$ 1,009,825	20 yr	3.75%	\$ 340,000	\$ 62,000
Downtown CIP Phase III & IV	\$ 2,015,000	15 yr	3.0% - 4.0%	1,800,000	95,000
2019 bond issuance premium	\$ 31,080	20 yr	1.5% - 4.0%	29,008	2,072
				<u>\$ 2,169,008</u>	<u>\$ 159,072</u>

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

<b>Year ending June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
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	155,072	55,946	211,018
2026-2030	470,360	179,297	649,657
2031-2035	<u>848,288</u>	<u>115,995</u>	<u>964,283</u>
	<u>\$ 2,169,008</u>	<u>\$ 615,984</u>	<u>\$ 2,784,992</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, 2020**

**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:

	<b>Balance</b>			<b>Balance</b>	<b>Current</b>	<b>Long-term</b>
	<b>June 30, 2019</b>	<b>Issuances</b>	<b>Repayments</b>	<b>June 30, 2020</b>	<b>(Due within one year)</b>	<b>(Due after one year)</b>
Revenue bonds	\$ 15,438,040	\$ 832,178	\$ (508,067)	\$ 15,762,151	\$ 448,633	\$ 15,313,518
Notes payable	15,295	-	(15,295)	-	-	-
Totals	<u>\$ 15,453,335</u>	<u>\$ 832,178</u>	<u>\$ (523,362)</u>	<u>\$ 15,762,151</u>	<u>\$ 448,633</u>	<u>\$ 15,313,518</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:

	<b>Original</b>			<b>Balance</b>	<b>Due within one</b>
	<b>Amount</b>	<b>Term</b>	<b>Interest Rate</b>	<b>June 30, 2020</b>	<b>year</b>
Wastewater improvement - ARRA B	\$ 359,300	20 yr	1.75%	\$ 184,000	\$ 18,000
Wastewater treatment plant - SRF	\$ 4,840,000	20 yr	2.50%	4,283,793	176,000
USDA-RD WRF Note	\$ 5,000,000	40 yr	1.375%	4,769,358	97,633
SRF-18429 Forgivable Note	\$ 400,000	N/A	N/A	400,000	-
SRF-18430 WTP	\$ 6,500,000	40 yr	2.50%	6,125,000	157,000
				<u>\$ 15,762,151</u>	<u>\$ 448,633</u>

**CITY OF LIVINGSTON, MONTANA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2020**

**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>
2021	\$ 448,633	\$ 331,720	\$ 780,353
2022	458,985	321,667	780,652
2023	468,355	311,381	779,736
2024	479,577	301,036	780,613
2025	491,149	290,452	781,601
2026-2030	2,610,398	1,277,317	3,887,715
2031-2035	2,820,636	975,626	3,796,262
2036-2040	2,942,291	637,802	3,580,093
2041-2045	2,019,488	340,849	2,360,337
2046-2050	1,452,487	133,700	1,586,187
2051-2055	757,830	55,170	813,000
2056-2060	<u>812,322</u>	<u>7,615</u>	<u>819,937</u>
	<u>\$ 15,762,151</u>	<u>\$ 4,984,335</u>	<u>\$ 20,746,486</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.

As of June 30, 2020, the remaining principal amount of defeased in substance debt outstanding was \$1,000,000.

Notes Payable

The City had notes payable outstanding with the Montana Board of Investments with principal and interest due in semi-annual payments through February 15, 2020. These notes were paid off during the year ended June 30, 2020.

**CITY OF LIVINGSTON, MONTANA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2020**

**7. LONG-TERM DEBT (Continued)**

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

	<b>Balance June 30, 2019</b>	<b>Issuances</b>	<b>Repayments</b>	<b>Balance June 30, 2020</b>	<b>Due Within One Year</b>
<b>Governmental activities:</b>					
Long-term debt:					
General obligation debt	\$ 716,953	\$ -	\$ (66,775)	\$ 650,178	\$ 36,775
Notes payable	511,836	20,000	(123,042)	408,794	122,937
Special improvement	176,000	-	(26,000)	150,000	27,000
Tax increment	2,321,080	-	(152,072)	2,169,008	159,072
Compensated absences	<u>439,850</u>	<u>109,323</u>	<u>(90,000)</u>	<u>459,173</u>	<u>90,000</u>
<b>Total governmental activities</b>	<b><u>\$ 4,165,719</u></b>	<b><u>\$ 129,323</u></b>	<b><u>\$ (457,889)</u></b>	<b><u>\$ 3,837,153</u></b>	<b><u>\$ 435,784</u></b>
<b>Business-type activities:</b>					
Revenue bonds	\$ 15,438,040	\$ 832,178	\$ (508,067)	\$ 15,762,151	\$ 448,633
Notes payable	15,295	-	(15,295)	-	-
Compensated absences	<u>217,750</u>	<u>14,201</u>	<u>(40,000)</u>	<u>191,951</u>	<u>40,000</u>
<b>Total business-type activities</b>	<b><u>\$ 15,671,085</u></b>	<b><u>\$ 846,379</u></b>	<b><u>\$ (563,362)</u></b>	<b><u>\$ 15,954,102</u></b>	<b><u>\$ 488,633</u></b>

For the governmental activities, long-term debt obligations 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, 2020**

**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, 2020, 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	\$ 130,874
Debt Service Funds	
S.I.D. No. 180	\$ 5,229

**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

The City administers an Other Postemployment Benefits (OPEB) plan providing medical, prescription drug, and life benefits to retired employees and their dependents under certain conditions. 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 City does not issue a separate report that includes financial statements and required supplementary information for the OPEB plan. The OPEB plan is a single-employer defined benefit plan administered by the City. The City covers OPEB costs when they come due, on a pay-as-you-go basis. In general, OPEB costs are paid from the funds in which the related payroll expenses were incurred.

Benefits Provided

Individuals who are employed by the City and are eligible to participate in the group health plan are eligible to continue healthcare benefits upon retirement eligibility with IPERS. Coverage during retirement continues in the group health plans and a life insurance benefit. Employees covered by the plan make contributions toward the plan premiums.

**CITY OF LIVINGSTON, MONTANA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2020**

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

Actuarial Valuation

An actuarial valuation was performed for the City OPEB plan as of June 30, 2020.

Employees Covered by Benefit Terms

As of June 30, 2020, the following employees were covered by the benefit terms:

Inactive members currently receiving benefits	10
Inactive members entitled to but not yet receiving benefits	0
Active members	<u>85</u>
Total	<u><u>95</u></u>

Total OPEB Liability

The City's total OPEB liability was measured as of June 30, 2020 and was determined by an actuarial valuation as of June 30, 2020.

Actuarial Present Value of Future Benefits	
Retired - Employees	\$ 210,841
Retired - Spouses/Dependents	42,331
Actives - Employees	1,481,904
Actives - Spouses/Dependents	<u>427,056</u>
	<u><u>\$ 2,162,132</u></u>
Total OPEB Liability	
Retired - Employees	\$ 210,841
Retired - Spouses/Dependents	42,331
Actives - Employees	568,026
Actives - Spouses/Dependents	<u>168,969</u>
	<u><u>\$ 990,167</u></u>

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, 2020**

**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:

	<b>1.0% Decrease (4.0%)</b>	<b>Current Healthcare Cost Trend Rate (5.0%)</b>	<b>1.0% Increase (6.0%)</b>
Total OPEB Liability	\$ 887,227	\$ 990,167	\$ 1,114,680

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 2.21%, as well as the total OPEB liability calculated using a discount rate that is 1-percentage point lower (1.21%) or 1-percentage point higher (3.21%) than the current rate:

	<b>1.0% Decrease (1.21%)</b>	<b>Current Discount Rate (2.21%)</b>	<b>1.0% Increase (3.21%)</b>
Total OPEB Liability	\$ 1,083,970	\$ 990,167	\$ 907,342

Changes in the Total OPEB Liability

Total OPEB liability - beginning of year	\$ 984,784
Service cost	63,821
Interest	39,762
Changes in benefit terms	-
Difference between expected and actual experience	(190,279)
Changes of assumptions	134,418
Benefit payments	(42,339)
Net change in OPEB liability	<u>5,383</u>
Total OPEB liability - end of year	<u><u>\$ 990,167</u></u>
Covered-employee payroll	\$ 4,152,763
Total OPEB liability as a percentage of covered-employee payroll	23.84%

**CITY OF LIVINGSTON, MONTANA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2020**

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

OPEB Expense

For the year ended June 30, 2020, the City recognized OPEB expense of \$67,735.

Service cost	\$ 63,821
Interest	39,762
Recognition of deferred (inflows)/outflows of resources	
Economic/demographic (gains)/losses	(34,141)
Assumption changes	<u>(1,707)</u>
OPEB expense	<u><u>\$ 67,735</u></u>

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

The City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<b>Deferred Inflows of Resources</b>	<b>Deferred Outflows of Resources</b>
Difference between expected and actual experience	\$ 303,256	\$ -
Changes in assumptions or other inputs	<u>126,520</u>	<u>121,240</u>
	<u><u>\$ 429,776</u></u>	<u><u>\$ 121,240</u></u>

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

<b>Year ending June 30</b>	<b>Amount</b>
2021	\$ (35,848)
2022	\$ (35,848)
2023	\$ (35,848)
2024	\$ (35,848)
2025	\$ (35,848)
Thereafter	\$ (129,296)

**CITY OF LIVINGSTON, MONTANA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2020**

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

Actuarial Assumptions and Other Inputs

The total OPEB liability in the June 30, 2020 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	2.21%
Healthcare cost trend rates	5.00% all years
Expected average remaining service lifetime	10.2 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-2019 generational projection of future mortality improvement.

**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, 2020, are disclosed below.

<u>Plan</u>	<u>Net Pension Liability</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>
PERS	\$ 3,365,334	\$ 520,995	\$ 615,403
MPORS	863,865	5,488	236,006
FURS	659,308	36,857	278,558
	<u>\$ 4,888,507</u>	<u>\$ 563,340</u>	<u>\$ 1,129,967</u>
Governmental activities	\$ 3,249,149	\$ 342,293	\$ 750,850
Business-type activities	1,639,358	221,047	379,117
	<u>\$ 4,888,507</u>	<u>\$ 563,340</u>	<u>\$ 1,129,967</u>



**CITY OF LIVINGSTON, MONTANA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2020**

**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 financial reporting as of June 30, 2020, is based on a June 30, 2019 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, 2020**

**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, 2020**

**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.

<b>Fiscal Year</b>	<b>Member</b>		<b>State &amp; University Employer</b>	<b>Local Governments</b>		<b>School Districts</b>	
	<b>Hired &lt; 7/1/11</b>	<b>Hired &gt; 7/1/11</b>		<b>Employer</b>	<b>State</b>	<b>Employer</b>	<b>State</b>
2020	7.900%	7.900%	8.770%	8.670%	0.100%	8.400%	0.370%
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, 2020**

**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 \$33,615,000.

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. In general, pension contributions are made from the funds in which the related payroll expenses were incurred.

<b>Year Ended June 30</b>	<b>Covered Payroll</b>	<b>Employee Contributions</b>	<b>Employer Contributions</b>	<b>State Contributions</b>
2020	\$ 3,147,587	\$ 248,830	\$ 272,896	\$ 3,148
2019	\$ 3,049,194	\$ 240,886	\$ 262,317	\$ 3,050
2018	\$ 2,905,799	\$ 229,594	\$ 246,160	\$ 2,906

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, 2019, was determined by taking the results of the June 30, 2018, 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, 2019, and 2018, 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 \$3,365,334 and the employer’s proportionate share was 0.160997 percent.

	<b>Net Pension Liability as of 6/30/2020</b>	<b>Net Pension Liability as of 6/30/2019</b>	<b>Percent of Collective NPL as of 6/30/2020</b>	<b>Percent of Collective NPL as of 6/30/2019</b>	<b>Change in Percent of Collective NPL</b>
Employer Proportionate Share	\$ 3,365,334	\$ 3,186,417	0.1610%	0.1527%	0.0083%
State of Montana Proportionate Share associated with Employer	1,096,350	1,068,307	0.0524%	0.0512%	0.0013%
Total	<u>\$ 4,461,684</u>	<u>\$ 4,254,724</u>	<u>0.2134%</u>	<u>0.2039%</u>	<u>0.0096%</u>

**CITY OF LIVINGSTON, MONTANA**  
**NOTES TO FINANCIAL STATEMENTS**  
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**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, 2020, the employer recognized \$332,719 for its proportionate share of the Plan’s pension expense and recognized grant revenue of \$2,827 for the state of Montana proportionate share of the pension expense associated with the employer. Additionally, the employer recognized grant revenue of \$71,603 from the State Statutory Appropriation from the General Fund.

	<b>Pension Expense as of 6/30/2020</b>
Employer Proportionate Share of PERS	\$ 332,719
Employer Grant Revenue - State of Montana Proportionate Share for employer	2,827
Employer Grant Revenue - State of Montana State Apportionment for employer	71,603
Total	<u>\$ 407,149</u>

Recognition of Deferred Inflows and Outflows

At June 30, 2020, the employer reported its proportionate share of PERS’ deferred outflows of resources and deferred inflows of resources from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Actual vs. Expected Experience	\$ 159,577	\$ 158,352
Projected vs. Actual Investment Earnings	40,804	-
Changes in Assumptions	142,870	-
Changes in Proportionate Share and Differences between Employer Contributions and Proportionate Share of Contributions	-	362,643
Employer Contributions Subsequent to the Measurement Date	272,152	-
Total	<u>\$ 615,403</u>	<u>\$ 520,995</u>

**CITY OF LIVINGSTON, MONTANA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2020**

**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:

<b>Year ended June 30:</b>	<b>Recognition of Deferred Outflows and Inflows in future years as an increase or (decrease) to Pension Expense</b>
2021	\$ 287,594
2022	(244,986)
2023	15,179
2024	36,621
2025	-
Thereafter	-
	<u>\$ 94,408</u>

Actuarial Assumptions

The total pension liability in the June 30, 2019 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 6.30%
- 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, 2020**

**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, 2019, are summarized in the following table.

<b>Asset Class</b>	<b>Target Asset Allocation</b>	<b>Long-Term Expected Real Rate of Return Arithmetic Basis</b>
Cash Equivalents	3.00%	4.09%
Domestic Equity	36.00%	6.05%
Foreign Equity	18.00%	7.01%
Fixed Income	23.00%	2.17%
Private Equity	12.00%	10.53%
Real Estate	8.00%	5.65%
Total		

**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 2122. 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, 2020**

**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.

	<b>1.0% Decrease</b>	<b>Current Discount</b>	<b>1.0% Increase</b>
	<b>(6.65%)</b>	<b>Rate (7.65%)</b>	<b>(8.65%)</b>
Net Pension Liability	\$ 4,835,026	\$ 3,365,334	\$ 2,130,243

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, 2019, 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 320 employers that have participants in the PERS-DCRP totaled \$714,024.

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, 2020**

**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 financial reporting as of June 30, 2020, is based on a June 30, 2019 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**  
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**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**  
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**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.

<b>Fiscal Year</b>	<b>Member</b>				<b>Employer</b>	<b>State</b>
	<b>Hired &lt; 7/1/75</b>	<b>Hired &gt; 6/30/75</b>	<b>Hired &gt; 6/30/79</b>	<b>Hired &gt; 6/30/97 GABA</b>		
2000-2020	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. In general, pension contributions are made from the funds in which the related payroll expenses were incurred.

<b>Year Ended June 30</b>	<b>Covered Payroll</b>	<b>Employee Contributions</b>	<b>Employer Contributions</b>	<b>State Contributions</b>
2020	\$ 793,265	\$ 71,394	\$ 114,309	\$ 232,982
2019	\$ 715,290	\$ 64,376	\$ 103,074	\$ 210,081
2018	\$ 701,658	\$ 63,149	\$ 101,109	\$ 206,077

**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, 2019, was determined by taking the results of the June 30, 2018, 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, 2019, and 2018, 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 \$863,865 and the employer’s proportionate share was 0.4340 percent.

**CITY OF LIVINGSTON, MONTANA**  
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**14. PENSION PLANS – MUNICIPAL POLICE OFFICERS’ RETIREMENT SYSTEM (MPORS) (Continued)**

	<b>Net Pension Liability as of 6/30/2020</b>	<b>Net Pension Liability as of 6/30/2019</b>	<b>Percent of Collective NPL as of 6/30/2020</b>	<b>Percent of Collective NPL as of 6/30/2019</b>	<b>Change in Percent of Collective NPL</b>
Employer Proportionate Share	\$ 863,865	\$ 761,289	0.4340%	0.4445%	-0.0105%
State of Montana Proportionate Share associated with Employer	1,759,125	1,556,226	0.8838%	0.9087%	-0.0249%
Total	<u>\$ 2,622,990</u>	<u>\$ 2,317,515</u>	<u>1.3178%</u>	<u>1.3532%</u>	<u>-0.0354%</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, 2020, the employer recognized its proportionate share of the Plan’s pension expense of \$134,397. The employer also recognized grant revenue of \$210,729 for the support provided by the State of Montana for the proportionate share of the pension expense that is associated with the employer.

	<b>Pension Expense as of 6/30/2020</b>
Employer Proportionate Share of MPORS	\$ 134,397
Employer Grant Revenue - State of Montana Proportionate Share for employer	210,729
Total	<u>\$ 345,126</u>

**CITY OF LIVINGSTON, MONTANA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2020**

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

Recognition of Deferred Inflows and Outflows

At June 30, 2020, the employer reported its proportionate share of the Plan’s deferred outflows of resources and deferred inflows of resources from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Actual vs. Expected Experience	\$ 76,669	\$ 5,488
Projected vs. Actual Investment Earnings	16,057	-
Changes in Assumptions	17,373	-
Changes in Proportionate Share and Differences between Employer Contributions and Proportionate Share of Contributions	11,487	-
Employer Contributions Subsequent to the Measurement Date	114,420	-
Total	<u>\$ 236,006</u>	<u>\$ 5,488</u>

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

<b>Year ended June 30:</b>	<b>Recognition of Deferred Outflows and Inflows in future years as an increase or (decrease) to Pension Expense</b>
2021	\$ 170,627
2022	26,337
2023	25,464
2024	8,090
2025	-
Thereafter	-
	<u>\$ 230,518</u>

**CITY OF LIVINGSTON, MONTANA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2020**

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

Actuarial Assumptions

The total pension liability in the June 30, 2019 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 6.60%
- 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, 2019, 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, 2020**

**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.

	<b>1.0% Decrease (6.65%)</b>	<b>Current Discount Rate (7.65%)</b>	<b>1.0% Increase (8.65%)</b>
Employer's Net Pension Liability	\$ 1,270,027	\$ 863,865	\$ 538,736

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 financial reporting as of June 30, 2020, is based on a June 30, 2019 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**  
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**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, 2020**

**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.

	<u>Member</u>			
<u>Fiscal Year</u>	<u>Non-GABA</u>	<u>GABA</u>	<u>Employer</u>	<u>State</u>
1998-2020	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. In general, pension contributions are made from the funds in which the related payroll expenses were incurred.

<u>Year Ended June 30</u>	<u>Covered Payroll</u>	<u>Employee Contributions</u>	<u>Employer Contributions</u>	<u>State Contributions</u>
2020	\$ 1,037,180	\$ 110,978	\$ 148,939	\$ 338,225
2019	\$ 996,655	\$ 106,642	\$ 143,120	\$ 325,009
2018	\$ 938,602	\$ 100,431	\$ 134,783	\$ 306,078

**CITY OF LIVINGSTON, MONTANA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2020**

**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, 2019, was determined by taking the results of the June 30, 2018, 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, 2019, and 2018, 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 \$659,308 and the employer’s proportionate share was 0.5747 percent.

	<b>Net Pension Liability as of 6/30/2020</b>	<b>Net Pension Liability as of 6/30/2019</b>	<b>Percent of Collective NPL as of 6/30/2020</b>	<b>Percent of Collective NPL as of 6/30/2019</b>	<b>Change in Percent of Collective NPL</b>
Employer Proportionate Share	\$ 659,308	\$ 687,285	0.5747%	0.5967%	-0.0220%
State of Montana Proportionate Share associated with Employer	1,594,538	1,571,515	1.3900%	1.3645%	0.0255%
Total	<u>\$ 2,253,846</u>	<u>\$ 2,258,800</u>	<u>1.9647%</u>	<u>1.9612%</u>	<u>0.0035%</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, 2020**

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

Pension Expense

At June 30, 2020, the employer recognized its proportionate share of the Plan’s pension expense of \$128,481. The employer also recognized grant revenue of \$332,184 for the support provided by the state of Montana for the proportionate share of the pension expense that is associated with the employer.

	<b>Pension Expense as of 6/30/2020</b>
Employer Proportionate Share of MPORS	\$ 128,481
Employer Grant Revenue - State of Montana Proportionate Share for employer	332,184
Total	<u>\$ 460,665</u>

Recognition of Deferred Inflows and Outflows

At June 30, 2020, the employer reported its proportionate share of the Plan’s deferred outflows of resources and deferred inflows of resources from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Actual vs. Expected Experience	\$ 59,271	\$ 6,840
Projected vs. Actual Investment Earnings	21,970	-
Changes in Assumptions	48,610	-
Changes in Proportionate Share and Differences between Employer Contributions and Proportionate Share of Contributions	-	30,017
Employer Contributions Subsequent to the Measurement Date	148,707	-
Total	<u>\$ 278,558</u>	<u>\$ 36,857</u>

**CITY OF LIVINGSTON, MONTANA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2020**

**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:

<b>Year ended June 30:</b>	<b>Recognition of Deferred Outflows and Inflows in future years as an increase or (decrease) to Pension Expense</b>
2021	\$ 180,373
2022	14,128
2023	30,516
2024	20,980
2025	(4,296)
Thereafter	-
	\$ 241,701

Actuarial Assumptions

The total pension liability in the June 30, 2019 actuarial valuation as determined using the following actuarial assumptions.

- Investment Return (net of admin expense): 7.65%
- Admin Expense as a % of Payroll: 0.25%
- 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, 2020**

**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, 2019, are summarized below.

<b>Asset Class</b>	<b>Target Asset Allocation</b>	<b>Long-Term Expected Real Rate of Return Arithmetic Basis</b>
Cash Equivalents	3.00%	4.09%
Domestic Equity	36.00%	6.05%
Foreign Equity	18.00%	7.01%
Fixed Income	23.00%	2.17%
Private Equity	12.00%	10.53%
Real Estate	8.00%	5.65%

**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 2133. 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.

	<b>1.0% Decrease (6.65%)</b>	<b>Current Discount Rate (7.65%)</b>	<b>1.0% Increase (8.65%)</b>
Employer's Net Pension Liability	\$ 1,151,496	\$ 659,308	\$ 262,453

**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, 2020**

**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 \$451,636 during fiscal year 2020.

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 \$702,138 for ambulance and \$327,300 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 budget 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.

**18. PRIOR PERIOD ADJUSTMENT**

During the year ended June 30, 2020, the City determined it should be reporting the CDBG revolving loan fund activity and balances based on the transactions between the City and the entity administering the funds, rather than reflecting the activity between the administering entity and the CDBG subrecipients. Accordingly, adjustments were made to previously reported advances and receivables. The adjustment increased beginning fund balance in the CDBG non-major special revenue fund by \$114,057.

**CITY OF LIVINGSTON, MONTANA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2020**

**19. 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, 2020**

**20. MAJOR PURPOSE PRESENTATION**

The table presented below displays the City's fund balances by major purpose as displayed on page II-14 of the governmental funds balance sheet. GASB Statement No. 54 requires the disclosure of the purpose of each Major Special Revenue Fund.

	<b>General Fund</b>	<b>Tax Increment District Downtown</b>	<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>Nonspendable</b>				
Long-term interfund receivable	\$ 17,058	\$ -	\$ -	\$ 17,058
Cemetery perpetual care	-	-	244,878	244,878
Total nonspendable	<u>17,058</u>	<u>-</u>	<u>244,878</u>	<u>261,936</u>
<b>Restricted</b>				
Public works	-	-	463,717	463,717
Debt service	-	-	421,538	421,538
Total restricted	<u>-</u>	<u>-</u>	<u>885,255</u>	<u>885,255</u>
<b>Committed</b>				
General government	-	490,453	800,991	1,291,444
Public safety	-	-	187,834	187,834
Public works	-	-	466,081	466,081
Public health	-	-	130	130
Culture and recreation	-	-	482,920	482,920
Capital projects	-	-	59,806	59,806
Debt service	-	-	27,740	27,740
Total committed	<u>-</u>	<u>490,453</u>	<u>2,025,502</u>	<u>2,515,955</u>
<b>Unassigned</b>	<u>2,221,988</u>	<u>-</u>	<u>(136,103)</u>	<u>2,085,885</u>
Total fund balances	<u><u>\$ 2,239,046</u></u>	<u><u>\$ 490,453</u></u>	<u><u>\$ 3,019,532</u></u>	<u><u>\$ 5,749,031</u></u>



**CITY OF LIVINGSTON, MONTANA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2020**

**21. COMMITMENTS AND CONTINGENCIES**

At year-end, the City had commitments outstanding, in the form of contracts of \$1,087,416 for the Phases V and VI 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 \$7,750. 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.

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.

**22. SUBSEQUENT EVENTS**

Management has evaluated subsequent events through December 15, 2020, 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, 2020**

<b>SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS</b>			
	<b>2020</b>	<b>2019</b>	<b>2018</b>
Total OPEB Liability			
Service cost	\$ 63,821	\$ 61,962	\$ 82,832
Interest	39,762	37,460	49,743
Changes in benefit terms	-	-	-
Differences between expected and actual experience	(190,279)	-	(178,090)
Changes of assumptions or other inputs	134,418	-	(171,175)
Benefit payments	(42,339)	(41,275)	(34,885)
Net change in total OPEB liability	5,383	58,147	(251,575)
Total OPEB liability - beginning	984,784	926,637	1,178,212
Total OPEB liability - ending	\$ 990,167	\$ 984,784	\$ 926,637
Covered-employee payroll	\$ 4,152,763	\$ 4,184,393	\$ 4,062,517
Total OPEB liability as a percentage of covered-employee payroll	23.84%	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, 2020**

**Measurement Date** June 30, 2020  
**Valuation Date** June 30, 2020  
**Reporting Date** June 30, 2020  
**Measurement Period** July 1, 2019 to June 30, 2020

**Discount Rate** 2.21% 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.  
The index rate used to measure the total pension liability was 2.21% as of June 30, 2020.

**General Inflation** 3.0% per year

**Salary Increases** 3.0% per year

**Initial Health Coverage Claims Cost**  
(including administrative expenses)

Age	Per Participant
Under age 65:	
Bridger Plan at age 60	\$ 14,139
Madison Plan at age 60	\$ 13,645
Mission plan at age 60	\$ 12,584
HDHP at age 60	\$ 9,164

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:

Ages	Rate
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**

Year	Rate
All years	5.00%

**Mortality**

RP 2014 annuitant distinct mortality table adjusted to 2006 with MP 2019 generational projection of future mortality improvement.

**CITY OF LIVINGSTON, MONTANA**  
**NOTE TO RSI (Continued)**  
**Notes to Required Supplementary Information - OPEB (Other Post-Employment Healthcare Benefits)**  
**Year Ended June 30, 2020**

**Future Retiree Participation Rate** 70% 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:

PERS:		
Age	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, 2020**

**Retirement (Continued)**

Fire and Police:			
Age	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, 2019 to June 30, 2020 measurement period was determined as follows:

	Number of members as of July 1, 2020	Expected remaining service lives
Active Members	85	11.41
Inactive Members	10	-
Weighted average rounded to nearest tenth		10.2

NET PENSION LIABILITY



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

<b>SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY</b>							
	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Employer's proportionate share of the net pension liability associated with the employer	0.16100%	0.15270%	0.20900%	0.20820%	0.21487%	0.22315%	0.23150%
Employer's proportionate share of the net pension liability	\$ 3,365,334	\$ 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	1,096,350	1,068,307	54,255	43,341	36,894	33,954	43,693
Total	\$ 4,461,684	\$ 4,254,724	\$ 4,125,027	\$ 3,590,367	\$ 3,040,447	\$ 2,814,432	\$ 3,621,741
Employer's covered payroll	\$ 2,656,421	\$ 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%	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%	73.47%	73.75%	74.71%	78.40%	79.87%	Not available

<b>SCHEDULE OF CONTRIBUTIONS</b>							
	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Contractually required contributions	\$ 237,486	\$ 228,471	\$ 212,658	\$ 217,022	\$ 215,355	\$ 213,108	\$ 212,294
Contributions in relation to the contractually required contributions	\$ 237,486	\$ 228,471	\$ 212,658	\$ 217,022	\$ 215,355	\$ 213,108	\$ 212,294
Contribution deficiency (excess)	-	-	-	-	-	-	-
Employer's covered payroll	\$ 2,739,161	\$ 2,656,421	\$ 2,510,532	\$ 2,592,832	\$ 2,494,335	\$ 2,507,530	\$ 2,526,058
Contributions of covered payroll	8.67%	8.60%	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, 2020**

**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 \$1,00 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, the interest rate credited to member accounts increased from 0.25% to 0.77%

**Lump-sum payouts**

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 age of 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 contribution:**

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.

See Independent Auditors' Report

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

<b>SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY</b>							
	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Employer's proportionate share of the net pension liability associated with the employer	0.43400%	0.44450%	0.41760%	0.41400%	0.43748%	0.46022%	0.46022%
Employer's proportionate share of the net pension liability	\$ 863,865	\$ 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	1,759,125	1,556,226	1,514,389	\$ 1,479,303	\$ 1,466,255	\$ 1,460,901	\$ 1,664,490
Total	\$ 2,622,990	\$ 2,317,515	\$ 2,257,405	\$ 2,224,528	\$ 2,189,940	\$ 2,184,076	\$ 2,488,446
Employer's covered payroll	\$ 715,290	\$ 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	120.77%	108.50%	118.97%	127.52%	119.52%	117.11%	Not available
Plan fiduciary net position as a percent of the total pension liability	68.84%	70.95%	68.34%	65.62%	66.90%	67.00%	Not available

<b>SCHEDULE OF CONTRIBUTIONS</b>							
	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Contractually required contributions	\$ 114,420	\$ 103,484	\$ 104,945	\$ 89,995	\$ 85,713	\$ 85,344	\$ 89,782
Contributions in relation to the contractually required contributions	\$ 114,420	\$ 103,484	\$ 104,945	\$ 89,995	\$ 85,713	\$ 85,344	\$ 89,782
Contribution deficiency (excess)	-	-	-	-	-	-	-
Employer's covered payroll	\$ 794,032	\$ 715,290	\$ 701,658	\$ 624,530	\$ 584,407	\$ 605,483	\$ 617,498
Contributions of covered payroll	14.41%	14.47%	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, 2020**

**Changes of Benefit Terms**

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

**2017 Legislative Changes:**

**Working Retiree Limitations - for MPORS**

Applies to retirement system members who return on or after July 1, 2017 to covered employment in the system from which they retired.

- 1) 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.
- 2) 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.
- 3) 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**

Applies to retirement system members who return on or after July 1, 2017 to active service covered by the system from which they retired.

- 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 reemployment 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 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.
- 3) 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.

**CITY OF LIVINGSTON, MONTANA**  
**NOTE TO RSI (Continued)**  
**Notes to Required Supplementary Information - Municipal Police Officers' Retirement System (MPORS)**  
**Year Ended June 30, 2020**

**Interest credited to member accounts**

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

**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, 2018 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	0.23%

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 actual administrative expenses.

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

<b>SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY</b>							
	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Employer's proportionate share of the net pension liability associated with the employer	0.5747%	0.5967%	0.5964%	0.6146%	0.6135%	0.6361%	0.6361%
Employer's proportionate share of the net pension liability	\$ 659,308	\$ 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	1,594,538	1,571,515	1,530,932	\$ 1,590,422	\$ 1,397,436	\$ 1,400,749	\$ 1,792,875
Total	\$ 2,253,846	\$ 2,258,800	\$ 2,205,085	\$ 2,292,383	\$ 2,024,858	\$ 2,021,662	\$ 2,587,606
Employer's covered payroll	\$ 996,655	\$ 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	66.15%	73.13%	75.12%	81.11%	76.11%	75.15%	Not available
Plan fiduciary net position as a percent of the total pension liability	80.08%	79.03%	77.77%	75.48%	76.90%	76.70%	Not available

<b>SCHEDULE OF CONTRIBUTIONS</b>							
	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Contractually required contributions	\$ 148,707	\$ 137,351	\$ 138,330	\$ 128,034	\$ 123,740	\$ 120,686	\$ 119,419
Contributions in relation to the contractually required contributions	\$ 148,707	\$ 137,351	\$ 138,330	\$ 128,034	\$ 123,740	\$ 120,686	\$ 119,419
Contribution deficiency (excess)	-	-	-	-	-	-	-
Employer's covered payroll	\$ 1,035,565	\$ 996,655	\$ 939,843	\$ 897,400	\$ 865,474	\$ 824,391	\$ 826,239
Contributions of covered payroll	14.36%	13.78%	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, 2020**

**Changes of Benefit Terms**

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

**2017 Legislative Changes:**

**Working Retiree Limitations - For FURS**

Applies to retirement system member who return on or after July 1, 2017 to covered employment in the system from which they retired.

- 1) 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.
- 2) 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.
- 3) 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**

Applies to retirement system members who return on or after July 1, 2017 to active service covered by the system from which they retired.

- 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 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.
- 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 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.
- 3) 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.

**CITY OF LIVINGSTON, MONTANA**  
**NOTE TO RSI (Continued)**  
**Notes to Required Supplementary Information - Firefighters' Unified Retirement System (FURS)**  
**Year Ended June 30, 2020**

**Interest credited to member accounts**

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

**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, 2018 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	0.25%

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, 2020**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget</b>
				<b>Positive (Negative)</b>
Budgetary fund balance, July 1	\$ 1,414,778	\$ 1,414,778	\$ 1,414,778	\$ -
Resources (inflows):				
Taxes	2,461,188	2,461,188	2,443,664	(17,524)
Special assessments	-	-	-	-
Licenses and permits	299,450	299,450	349,841	50,391
Intergovernmental	1,805,877	2,267,074	2,215,651	(51,423)
Charges for services	134,900	134,900	101,805	(33,095)
Fines and forfeitures	116,250	116,250	121,384	5,134
Proceeds from long-term debt	-	-	-	-
Sale of assets	-	-	-	-
Interest on investments	2,000	2,000	7,266	5,266
Loan repayment	-	-	-	-
Transfers from other funds	1,125,681	1,125,681	1,126,688	1,007
Other	173,271	173,271	84,032	(89,239)
Amounts available for appropriation	7,533,395	7,994,592	7,865,109	(129,483)
Charges to appropriations (outflows):				
Current				
General government	1,374,138	1,374,138	1,342,739	31,399
Public safety	2,802,136	2,802,136	2,740,002	62,134
Public works	457,511	457,511	395,892	61,619
Public health	145,615	145,615	150,626	(5,011)
Culture and recreation	519,562	519,562	530,594	(11,032)
Other	5,321	5,321	-	5,321
Capital outlay	296,052	296,052	120,814	175,238
Debt service	10,101	10,101	10,096	5
Transfers to other funds	383,810	383,810	335,300	48,510
Total charges to appropriations	5,994,246	5,994,246	5,626,063	368,183
Budgetary fund balance, June 30	\$ 1,539,149	\$ 2,000,346	\$ 2,239,046	\$ 238,700

See the Independent Auditors' Report.

**CITY OF LIVINGSTON, MONTANA**  
**BUDGETARY COMPARISON SCHEDULE - TAX INCREMENT DISTRICT DOWNTOWN SPECIAL REVENUE FUND**  
**Year Ended June 30, 2020**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget</b>
				<b>Positive (Negative)</b>
Budgetary fund balance, July 1	\$ 1,101,563	\$ 1,101,563	\$ 1,101,563	\$ -
Resources (inflows):				
Taxes	193,400	193,400	379,256	185,856
Special assessments	3,552	3,552	5,680	2,128
Licenses and permits	-	-	-	-
Intergovernmental	40,967	40,967	40,967	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Proceeds from long-term debt	-	-	-	-
Sale of assets	-	-	-	-
Interest on investments	1,500	1,500	3,504	2,004
Loan repayment	-	-	-	-
Transfers from other funds	-	-	-	-
Other	-	-	-	-
Amounts available for appropriation	<u>1,340,982</u>	<u>1,340,982</u>	<u>1,530,970</u>	<u>189,988</u>
Charges to appropriations (outflows):				
Current				
General government	7,500	12,125	11,805	320
Public safety	-	-	-	-
Public works	-	-	-	-
Public health	-	-	-	-
Culture and recreation	-	-	-	-
Other	-	-	-	-
Capital outlay	-	869,800	869,787	13
Debt service	158,925	158,925	158,925	-
Transfers to other funds	-	-	-	-
Total charges to appropriations	<u>166,425</u>	<u>1,040,850</u>	<u>1,040,517</u>	<u>333</u>
Budgetary fund balance, June 30	<u>\$ 1,174,557</u>	<u>\$ 300,132</u>	<u>\$ 490,453</u>	<u>\$ 190,321</u>

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, 2020**

	<u><b>General Fund</b></u>	<u><b>Tax Increment District Downtown</b></u>
<b>Sources/inflows of resources</b>		
Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule	\$ 7,865,109	\$ 1,530,970
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.	(1,414,778)	(1,101,563)
Transfers from other funds are inflows of budgetary resources but are not <i>revenues</i> for financial reporting purposes.	<u>(1,126,688)</u>	<u>-</u>
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u><u>\$ 5,323,643</u></u>	<u><u>\$ 429,407</u></u>
 <b>Uses/outflows of resources</b>		
Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	\$ 5,626,063	\$ 1,040,517
Differences - budget to GAAP:		
Transfers to other funds are outflows of budgetary resources but are not <i>expenditures</i> for financial reporting purposes.	<u>(335,300)</u>	<u>-</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u><u>\$ 5,290,763</u></u>	<u><u>\$ 1,040,517</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.

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.

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.

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.

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

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.

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

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.

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).

## 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.

## 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 (CONTINUED)**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**June 30, 2020**

	Special Revenue Funds				
	Comprehensive Liability Insurance	Library	Dispatch/ Communication	Permissive Medical Levy	CDBG Economic Development Revolving
<b>ASSETS</b>					
Current assets					
Cash and cash equivalents	\$ 4,106	\$ 255,084	\$ 8,651	\$ -	\$ 907
Receivables					
Property taxes	2,009	1,820	-	3,830	-
Customers, net	-	-	3,625	-	-
Other	-	-	-	-	731,431
Special assessments	-	-	-	-	-
Other governments	15,073	165,559	164,743	47,535	-
Prepaid expenditures	-	-	-	-	-
Due from other City funds	-	-	-	-	-
Advances to other City funds	-	-	-	-	-
Notes receivable	-	-	-	-	-
Restricted cash and cash equivalents	-	-	-	-	-
Total current assets	<u>21,188</u>	<u>422,463</u>	<u>177,019</u>	<u>51,365</u>	<u>732,338</u>
Other assets					
Due from other City funds	-	-	-	-	-
Total assets	<u>\$ 21,188</u>	<u>\$ 422,463</u>	<u>\$ 177,019</u>	<u>\$ 51,365</u>	<u>\$ 732,338</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>					
Liabilities:					
Accounts payable	\$ -	\$ 9,591	\$ 1,632	\$ -	\$ -
Advances	-	-	-	-	-
Due to other City funds	-	-	-	-	-
Total liabilities	<u>-</u>	<u>9,591</u>	<u>1,632</u>	<u>-</u>	<u>-</u>
Deferred inflows of resources:					
Deferred inflows of tax revenues	2,009	1,820	-	3,830	-
Deferred inflows of special assessments	-	-	-	-	-
Total deferred inflows of resources	<u>2,009</u>	<u>1,820</u>	<u>-</u>	<u>3,830</u>	<u>-</u>
Fund balances:					
Nonspendable	-	-	-	-	-
Restricted	-	-	-	-	-
Committed	19,179	411,052	175,387	47,535	732,338
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total fund balances	<u>19,179</u>	<u>411,052</u>	<u>175,387</u>	<u>47,535</u>	<u>732,338</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 21,188</u>	<u>\$ 422,463</u>	<u>\$ 177,019</u>	<u>\$ 51,365</u>	<u>\$ 732,338</u>

(continued)

See the Independent Auditors' Report.

**CITY OF LIVINGSTON, MONTANA**  
**COMBINING BALANCE SHEET (CONTINUED)**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**June 30, 2020**

	<b>Special Revenue Funds</b>					
	<b>Impact Fees</b>	<b>S.I.D. Lighting</b>	<b>Street Maintenance</b>	<b>Sidewalks</b>	<b>Business Improvement District</b>	<b>Parks Department</b>
<b>ASSETS</b>						
Current assets						
Cash and cash equivalents	\$ 349,337	\$ 95,747	\$ 202,219	\$ 66	\$ 15,044	\$ 70,544
Receivables						
Property taxes	-	-	-	-	1,152	-
Customers, net	-	-	10,863	-	-	-
Other	-	-	-	-	-	-
Special assessments	-	1,474	9,197	223,845	-	-
Other governments	-	20,190	140,796	7,160	4,733	-
Prepaid expenditures						
Due from other City funds						
Advances to other City funds	-	-	-	-	-	-
Notes receivable	-	-	-	-	-	-
Restricted cash and cash equivalents	-	-	-	-	-	-
Total current assets	<u>349,337</u>	<u>117,411</u>	<u>363,075</u>	<u>231,071</u>	<u>20,929</u>	<u>70,544</u>
Other assets						
Due from other City funds						
Total assets	<u>\$ 349,337</u>	<u>\$ 117,411</u>	<u>\$ 363,075</u>	<u>\$ 231,071</u>	<u>\$ 20,929</u>	<u>\$ 70,544</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>						
Liabilities:						
Accounts payable	\$ -	\$ 360	\$ 13,845	\$ -	\$ -	\$ -
Advances	-	-	-	-	-	-
Due to other City funds	-	-	-	138,100	-	-
Total liabilities	<u>-</u>	<u>360</u>	<u>13,845</u>	<u>138,100</u>	<u>-</u>	<u>-</u>
Deferred inflows of resources:						
Deferred inflows of tax revenues	-	-	-	-	-	-
Deferred inflows of special assessments	-	1,474	9,197	223,845	1,152	-
Total deferred inflows of resources	<u>-</u>	<u>1,474</u>	<u>9,197</u>	<u>223,845</u>	<u>1,152</u>	<u>-</u>
Fund balances:						
Nonspendable	-	-	-	-	-	-
Restricted	349,337	-	-	-	-	-
Committed	-	115,577	340,033	-	19,777	70,544
Assigned	-	-	-	-	-	-
Unassigned	-	-	-	(130,874)	-	-
Total fund balances	<u>349,337</u>	<u>115,577</u>	<u>340,033</u>	<u>(130,874)</u>	<u>19,777</u>	<u>70,544</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 349,337</u>	<u>\$ 117,411</u>	<u>\$ 363,075</u>	<u>\$ 231,071</u>	<u>\$ 20,929</u>	<u>\$ 70,544</u>

See the Independent Auditors' Report.

**CITY OF LIVINGSTON, MONTANA**  
**COMBINING BALANCE SHEET (CONTINUED)**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**June 30, 2020**

	<b>Special Revenue Funds</b>		
	<b>Law Enforcement</b>	<b>Gas Tax Apportionment</b>	<b>Total</b>
<b>ASSETS</b>			
Current assets			
Cash and cash equivalents	\$ 6,534	\$ 164,747	\$ 1,172,986
Receivables			
Property taxes	-	-	8,811
Customers, net	-	-	14,488
Other	-	-	731,431
Special assessments	-	-	234,516
Other governments	-	-	565,789
Prepaid expenditures			-
Due from other City funds			-
Advances to other City funds	-	-	-
Notes receivable	-	-	-
Restricted cash and cash equivalents	-	-	-
Total current assets	<u>6,534</u>	<u>164,747</u>	<u>2,728,021</u>
Other assets			
Due from other City funds		-	-
Total assets	<u>\$ 6,534</u>	<u>\$ 164,747</u>	<u>\$ 2,728,021</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>			
Liabilities:			
Accounts payable	\$ -	\$ 50,367	\$ 75,795
Advances	-	-	-
Due to other City funds	-	-	138,100
Total liabilities	<u>-</u>	<u>50,367</u>	<u>213,895</u>
Deferred inflows of resources:			
Deferred inflows of tax revenues	-	-	7,659
Deferred inflows of special assessments	-	-	235,668
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>243,327</u>
Fund balances:			
Nonspendable	-	-	-
Restricted	-	114,380	463,717
Committed	6,534	-	1,937,956
Assigned	-	-	-
Unassigned	-	-	(130,874)
Total fund balances	<u>6,534</u>	<u>114,380</u>	<u>2,270,799</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 6,534</u>	<u>\$ 164,747</u>	<u>\$ 2,728,021</u>

(continued)

See the Independent Auditors' Report.

CITY OF LIVINGSTON, MONTANA  
COMBINING BALANCE SHEET (CONTINUED)  
NONMAJOR GOVERNMENTAL FUNDS  
June 30, 2020

Debt Service Funds				
	2016 Fire Truck GO Bonds	2000 Fire Truck GO Bonds	West End Tax Increment District	S.I.D. Revolving
<b>ASSETS</b>				
Current assets				
Cash and cash equivalents	\$ 15,385	\$ 2,433	\$ 238,093	\$ 18,754
Receivables				
Property taxes	524	615	-	-
Customers, net				
Other	-	-	-	-
Special assessments	-	-	-	-
Other governments	3,756	2,504	40,600	-
Prepaid expenditures				
Due from other City funds	-	-	-	5,550
Restricted cash and cash equivalents	-	-	98,667	-
Total current assets	19,665	5,552	377,360	24,304
Other assets				
Due from other City funds	-	-	-	-
Total assets	<u>\$ 19,665</u>	<u>5,552</u>	<u>\$ 377,360</u>	<u>\$ 24,304</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Advances	-	-	-	-
Due to other City funds	-	-	-	-
Total liabilities	-	-	-	-
Deferred inflows of resources:				
Deferred inflows of tax revenues	524	615	-	-
Deferred inflows of special assessments	-	-	-	-
Total deferred inflows of resources	524	615	-	-
Fund balances:				
Nonspendable	-	-	-	-
Restricted	19,141	4,937	377,360	20,100
Committed	-	-	-	4,204
Unassigned	-	-	-	-
Total fund balances	19,141	4,937	377,360	24,304
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 19,665</u>	<u>\$ 5,552</u>	<u>\$ 377,360</u>	<u>\$ 24,304</u>

(continued)

CITY OF LIVINGSTON, MONTANA  
COMBINING BALANCE SHEET (CONTINUED)  
NONMAJOR GOVERNMENTAL FUNDS  
June 30, 2020

	Debt Service Funds		
	S.I.D. 179	S.I.D. 180	Total
<b>ASSETS</b>			
Current assets			
Cash and cash equivalents	23,536	\$ -	\$ 298,201
Receivables			
Property taxes	-	-	1,139
Customers, net			-
Other	-	-	-
Special assessments	170,200	10,138	180,338
Other governments	-	321	47,181
Prepaid expenditures			-
Due from other City funds	-	-	5,550
Restricted cash and cash equivalents	-	-	98,667
Total current assets	193,736	10,459	631,076
Other assets			
Due from other City funds	-	-	-
Total assets	<u>\$ 193,736</u>	<u>\$ 10,459</u>	<u>\$ 631,076</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>			
Liabilities:			
Accounts payable	\$ -	\$ -	\$ -
Advances	-	-	-
Due to other City funds	-	5,550	5,550
Total liabilities	-	5,550	5,550
Deferred inflows of resources:			
Deferred inflows of tax revenues	-	-	1,139
Deferred inflows of special assessments	170,200	10,138	180,338
Total deferred inflows of resources	170,200	10,138	181,477
Fund balances:			
Nonspendable	-	-	-
Restricted	-	-	421,538
Committed	23,536	-	27,740
Unassigned	-	(5,229)	(5,229)
Total fund balances	23,536	(5,229)	444,049
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 193,736</u>	<u>\$ 10,459</u>	<u>\$ 631,076</u>

(continued)

See the Independent Auditors' Report.

CITY OF LIVINGSTON, MONTANA  
COMBINING BALANCE SHEET (CONTINUED)  
NONMAJOR GOVERNMENTAL FUNDS  
June 30, 2020

	Capital Project Funds			
	Capital Improvements	Library Extension	Railroad Underpass	Total
<b>ASSETS</b>				
Current assets				
Cash and cash equivalents	\$ 8,490	\$ 25,281	\$ 26,024	\$ 59,795
Receivables				
Property taxes	-	-	542	542
Customers, net	-	-	-	-
Other	-	-	-	-
Special assessments	-	-	-	-
Other governments	-	-	11	11
Prepaid expenditures	-	-	-	-
Due from other City funds	-	-	-	-
Restricted cash and cash equivalents	-	-	-	-
Total current assets	8,490	25,281	26,577	60,348
Other assets				
Due from other City funds	-	-	-	-
Total assets	<u>\$ 8,490</u>	<u>\$ 25,281</u>	<u>\$ 26,577</u>	<u>\$ 60,348</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Advances	-	-	-	-
Due to other City funds	-	-	-	-
Total liabilities	-	-	-	-
Deferred inflows of resources:				
Deferred inflows of tax revenues	-	-	542	542
Deferred inflows of special assessments	-	-	-	-
Total deferred inflows of resources	-	-	542	542
Fund balances:				
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Committed	8,490	25,281	26,035	59,806
Unassigned	-	-	-	-
Total fund balances	8,490	25,281	26,035	59,806
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 8,490</u>	<u>\$ 25,281</u>	<u>\$ 26,577</u>	<u>\$ 60,348</u>

(continued)

CITY OF LIVINGSTON, MONTANA  
COMBINING BALANCE SHEET (CONTINUED)  
NONMAJOR GOVERNMENTAL FUNDS  
June 30, 2020

	<u>Permanent Fund</u>	
	<u>Perpetual Cemetery Care</u>	<u>Total Nonmajor Governmental Funds</u>
<b>ASSETS</b>		
Current assets		
Cash and cash equivalents	\$ 227,820	\$ 1,758,802
Receivables		
Property taxes	-	10,492
Customers, net	-	14,488
Other	-	731,431
Special assessments	-	414,854
Other governments	-	612,981
Prepaid expenditures	-	-
Due from other City funds	17,058	22,608
Restricted cash and cash equivalents	-	98,667
	<u>244,878</u>	<u>3,664,323</u>
Total current assets		
Other assets		
Due from other City funds	-	-
	<u>\$ 244,878</u>	<u>\$ 3,664,323</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>		
Liabilities:		
Accounts payable	\$ -	\$ 75,795
Advances	-	-
Due to other City funds	-	143,650
	<u>-</u>	<u>219,445</u>
Total liabilities		
Deferred inflows of resources:		
Deferred inflows of tax revenues	-	9,340
Deferred inflows of special assessments	-	416,006
	<u>-</u>	<u>425,346</u>
Total deferred inflows of resources		
Fund balances:		
Nonspendable	244,878	244,878
Restricted	-	885,255
Committed	-	2,025,502
Unassigned	-	(136,103)
	<u>244,878</u>	<u>3,019,532</u>
Total fund balances		
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 244,878</u>	<u>\$ 3,664,323</u>



**CITY OF LIVINGSTON, MONTANA**  
**NONMAJOR FUNDS - SPECIAL REVENUE**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**Year Ended June 30, 2020**

	<b>Comprehensive Liability Insurance</b>	<b>Library</b>	<b>Dispatch/ Communication</b>	<b>Permissive Medical Levy</b>	<b>CDBG Economic Development Revolving</b>
<b>REVENUES</b>					
Taxes	\$ 143,737	\$ 100,282	\$ -	\$ 452,014	\$ -
Special assessments	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Intergovernmental	-	527,147	106,941	-	-
Charges for services	-	3,212	332,300	-	-
Fines and forfeitures	-	771	-	-	-
Interest on investments	(1,138)	1,375	(319)	1,342	2,924
Other	-	2,143	-	-	8,975
Total revenues	<u>142,599</u>	<u>634,930</u>	<u>438,922</u>	<u>453,356</u>	<u>11,899</u>
<b>EXPENDITURES</b>					
Current					
General government	15,866	-	-	-	9,192
Public safety	90,717	-	599,671	-	-
Public works	195,122	-	-	-	-
Public health	1,794	-	-	-	-
Culture and recreation	19,227	517,584	-	-	-
Capital outlay	-	-	-	-	-
Debt service					
Principal payments	-	-	-	-	-
Interest and fiscal fees	-	-	-	-	-
Total expenditures	<u>322,726</u>	<u>517,584</u>	<u>599,671</u>	<u>-</u>	<u>9,192</u>
Revenues over (under) expenditures	<u>(180,127)</u>	<u>117,346</u>	<u>(160,749)</u>	<u>453,356</u>	<u>2,707</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	175,092	50,317	382,204	-	-
Transfers out	-	(37,752)	(68,736)	(437,775)	-
Issuance of debt	-	-	-	-	-
Total other financing sources (uses)	<u>175,092</u>	<u>12,565</u>	<u>313,468</u>	<u>(437,775)</u>	<u>-</u>
Net change in fund balance	<u>(5,035)</u>	<u>129,911</u>	<u>152,719</u>	<u>15,581</u>	<u>2,707</u>
<b>FUND BALANCES -</b>					
beginning of year, originally reported	24,214	281,141	22,668	31,954	615,574
prior period adjustment	-	-	-	-	114,057
beginning of year, restated	<u>24,214</u>	<u>281,141</u>	<u>22,668</u>	<u>31,954</u>	<u>729,631</u>
<b>FUND BALANCES -</b>					
end of year	<u>\$ 19,179</u>	<u>\$ 411,052</u>	<u>\$ 175,387</u>	<u>\$ 47,535</u>	<u>\$ 732,338</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, 2020**

	<b>Impact Fees</b>	<b>S.I.D. Lighting</b>	<b>Street Maintenance</b>	<b>Sidewalks</b>	<b>Business Improvement District</b>	<b>Parks Department</b>
<b>REVENUES</b>						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	145,980	1,006,136	119,265	42,336	-
Licenses and permits	-	-	16,600	-	-	-
Intergovernmental	-	-	296	-	-	-
Charges for services	190,838	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-
Interest on investments	2,301	388	256	(684)	63	512
Other	-	-	2,257	-	-	-
Total revenues	<u>193,139</u>	<u>146,368</u>	<u>1,025,545</u>	<u>118,581</u>	<u>42,399</u>	<u>512</u>
<b>EXPENDITURES</b>						
Current						
General government	-	-	-	-	41,504	-
Public safety	-	69,187	-	-	-	-
Public works	3,919	-	546,558	-	-	-
Public health	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Capital outlay	57,029	52,345	104,781	184,764	-	-
Debt service						
Principal payments	-	-	84,667	-	-	-
Interest and fiscal fees	-	-	12,582	-	-	-
Total expenditures	<u>60,948</u>	<u>121,532</u>	<u>748,588</u>	<u>184,764</u>	<u>41,504</u>	<u>-</u>
Revenues over (under) expenditures	<u>132,191</u>	<u>24,836</u>	<u>276,957</u>	<u>(66,183)</u>	<u>895</u>	<u>512</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	-	-	32,944	-	-	-
Transfers out	-	-	(134,996)	-	-	-
Issuance of debt	-	-	20,000	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(82,052)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>132,191</u>	<u>24,836</u>	<u>194,905</u>	<u>(66,183)</u>	<u>895</u>	<u>512</u>
<b>FUND BALANCES -</b>						
beginning of year, originally reported	217,146	90,741	145,128	(64,691)	18,882	70,032
prior period adjustment	-	-	-	-	-	-
beginning of year, restated	<u>217,146</u>	<u>90,741</u>	<u>145,128</u>	<u>(64,691)</u>	<u>18,882</u>	<u>70,032</u>
<b>FUND BALANCES -</b>						
end of year	<u>\$ 349,337</u>	<u>\$ 115,577</u>	<u>\$ 340,033</u>	<u>\$ (130,874)</u>	<u>\$ 19,777</u>	<u>\$ 70,544</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, 2020**

	<u>Law Enforcement</u>	<u>Gas Tax Apportionment</u>	<u>Special Revenue Totals</u>
<b>REVENUES</b>			
Taxes	\$ -	\$ -	\$ 696,033
Special assessments	-	-	1,313,717
Licenses and permits	-	-	16,600
Intergovernmental	-	149,400	783,784
Charges for services	-	350	526,700
Fines and forfeitures	-	-	771
Interest on investments	48	944	8,012
Other	-	-	13,375
	<u>48</u>	<u>150,694</u>	<u>3,358,992</u>
Total revenues			
<b>EXPENDITURES</b>			
Current			
General government	-	-	66,562
Public safety	-	-	759,575
Public works	-	139,804	885,403
Public health	-	-	1,794
Culture and recreation	-	-	536,811
Capital outlay	-	-	398,919
Debt service			
Principal payments	-	-	84,667
Interest and fiscal fees	-	-	12,582
	<u>-</u>	<u>139,804</u>	<u>2,746,313</u>
Total expenditures			
Revenues over (under) expenditures	<u>48</u>	<u>10,890</u>	<u>612,679</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	-	-	640,557
Transfers out	-	-	(679,259)
Issuance of debt	-	-	20,000
	<u>-</u>	<u>-</u>	<u>(18,702)</u>
Total other financing sources (uses)			
	<u>48</u>	<u>10,890</u>	<u>593,977</u>
Net change in fund balance			
<b>FUND BALANCES -</b>			
beginning of year, originally reported	6,486	103,490	1,562,765
prior period adjustment	-	-	114,057
beginning of year, restated	<u>6,486</u>	<u>103,490</u>	<u>1,676,822</u>
<b>FUND BALANCES -</b>			
end of year	<u>\$ 6,534</u>	<u>\$ 114,380</u>	<u>\$ 2,270,799</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, 2020**

	<b>2016 Fire Truck GO Bonds</b>	<b>2000 Fire Truck GO Bonds</b>	<b>West End Tax Increment District</b>	<b>S.I.D. Revolving</b>
<b>REVENUES</b>				
Taxes	\$ 36,247	\$ 23,810	\$ 127,571	\$ -
Special assessments	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	-	-	13,189	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Interest on investments	243	166	2,334	177
Other	-	-	-	-
Total revenues	<u>36,490</u>	<u>23,976</u>	<u>143,094</u>	<u>177</u>
<b>EXPENDITURES</b>				
Current				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Public health	-	-	-	-
Culture and recreation	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal payments	31,775	35,000	60,000	-
Interest and fiscal fees	19,469	1,050	14,438	-
Total expenditures	<u>51,244</u>	<u>36,050</u>	<u>74,438</u>	<u>-</u>
Revenues over (under) expenditures	<u>(14,754)</u>	<u>(12,074)</u>	<u>68,656</u>	<u>177</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Issuance of debt	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>(14,754)</u>	<u>(12,074)</u>	<u>68,656</u>	<u>177</u>
<b>FUND BALANCES -</b>				
beginning of year, originally reported	33,895	17,011	308,704	24,127
prior period adjustment	-	-	-	-
beginning of year, restated	<u>33,895</u>	<u>17,011</u>	<u>308,704</u>	<u>24,127</u>
<b>FUND BALANCES -</b>				
end of year	<u>\$ 19,141</u>	<u>\$ 4,937</u>	<u>\$ 377,360</u>	<u>\$ 24,304</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 BALANCES**  
**Year Ended June 30, 2020**

	<u>S.I.D. 179</u>	<u>S.I.D. 180</u>	<u>Debt Service Totals</u>
<b>REVENUES</b>			
Taxes	\$ -	\$ -	\$ 187,628
Special assessments	34,563	3,755	38,318
Licenses and permits	-	-	-
Intergovernmental	-	-	13,189
Charges for services	-	-	-
Fines and forfeitures	-	-	-
Interest on investments	189	(57)	3,052
Other	-	-	-
Total revenues	<u>34,752</u>	<u>3,698</u>	<u>242,187</u>
<b>EXPENDITURES</b>			
Current			
General government	-	-	-
Public safety	-	-	-
Public works	-	-	-
Public health	-	-	-
Culture and recreation	-	-	-
Capital outlay	-	-	-
Debt service			
Principal payments	26,000	-	152,775
Interest and fiscal fees	6,356	-	41,313
Total expenditures	<u>32,356</u>	<u>-</u>	<u>194,088</u>
Revenues over (under) expenditures	<u>2,396</u>	<u>3,698</u>	<u>48,099</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	-	-	-
Transfers out	-	-	-
Issuance of debt	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>2,396</u>	<u>3,698</u>	<u>48,099</u>
<b>FUND BALANCES -</b>			
beginning of year, originally reported	21,140	(8,927)	395,950
prior period adjustment	-	-	-
beginning of year, restated	<u>21,140</u>	<u>(8,927)</u>	<u>395,950</u>
<b>FUND BALANCES -</b>			
end of year	<u>\$ 23,536</u>	<u>\$ (5,229)</u>	<u>\$ 444,049</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, 2020**

	<u>Capital Improvements</u>	<u>Library Extension</u>	<u>Railroad Underpass</u>	<u>Capital Projects Totals</u>
<b>REVENUES</b>				
Taxes	\$ -	\$ -	\$ 11	\$ 11
Special assessments	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Interest on investments	55	184	189	428
Other	-	-	-	-
Total revenues	<u>55</u>	<u>184</u>	<u>200</u>	<u>439</u>
<b>EXPENDITURES</b>				
Current				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Public health	-	-	-	-
Culture and recreation	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal payments	-	-	30,374	30,374
Interest and fiscal fees	-	-	1,798	1,798
Total expenditures	<u>-</u>	<u>-</u>	<u>32,172</u>	<u>32,172</u>
Revenues over (under) expenditures	<u>55</u>	<u>184</u>	<u>(31,972)</u>	<u>(31,733)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	8,000	8,000
Transfers out	-	-	-	-
Issuance of debt	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>8,000</u>	<u>8,000</u>
Net change in fund balance	<u>55</u>	<u>184</u>	<u>(23,972)</u>	<u>(23,733)</u>
<b>FUND BALANCES -</b>				
beginning of year, originally reported	8,435	25,097	50,007	83,539
prior period adjustment	-	-	-	-
beginning of year, restated	<u>8,435</u>	<u>25,097</u>	<u>50,007</u>	<u>83,539</u>
<b>FUND BALANCES -</b>				
end of year	<u>\$ 8,490</u>	<u>\$ 25,281</u>	<u>\$ 26,035</u>	<u>\$ 59,806</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, 2020**

	<u>Perpetual Cemetery Care</u>	<u>Total Nonmajor Governmental Funds</u>
<b>REVENUES</b>		
Taxes	\$ -	\$ 883,672
Special assessments	-	1,352,035
Licenses and permits	-	16,600
Intergovernmental	-	796,973
Charges for services	2,975	529,675
Fines and forfeitures	-	771
Interest on investments	2,566	14,058
Other	-	13,375
	<u>5,541</u>	<u>3,607,159</u>
Total revenues	<u>5,541</u>	<u>3,607,159</u>
<b>EXPENDITURES</b>		
Current		
General government	-	66,562
Public safety	-	759,575
Public works	-	885,403
Public health	-	1,794
Culture and recreation	-	536,811
Capital outlay	-	398,919
Debt service		
Principal payments	-	267,816
Interest and fiscal fees	-	55,693
	<u>-</u>	<u>2,972,573</u>
Total expenditures	<u>-</u>	<u>2,972,573</u>
Revenues over (under) expenditures	<u>5,541</u>	<u>634,586</u>
<b>OTHER FINANCING SOURCES (USES)</b>		
Transfers in	-	648,557
Transfers out	(2,566)	(681,825)
Issuance of debt	-	20,000
	<u>(2,566)</u>	<u>(13,268)</u>
Total other financing sources (uses)	<u>(2,566)</u>	<u>(13,268)</u>
Net change in fund balance	<u>2,975</u>	<u>621,318</u>
<b>FUND BALANCES -</b>		
beginning of year, originally reported	241,903	2,284,157
prior period adjustment	-	114,057
beginning of year, restated	<u>241,903</u>	<u>2,398,214</u>
<b>FUND BALANCES -</b>		
end of year	<u>\$ 244,878</u>	<u>\$ 3,019,532</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, 2020**

	<b>Comprehensive Liability Insurance</b>			<b>Library</b>		
	<b>Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>	<b>Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>
<b>REVENUES</b>						
Taxes	\$ 150,572	143,737	(6,835)	\$ 89,514	100,282	10,768
Special assessments	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	457,413	527,147	69,734
Charges for services	-	-	-	6,000	3,212	(2,788)
Fines and forfeitures	-	-	-	-	771	771
Interest on investments	(750)	(1,138)	(388)	200	1,375	1,175
Other	-	-	-	2,000	2,143	143
Total revenues	<u>149,822</u>	<u>142,599</u>	<u>(7,223)</u>	<u>555,127</u>	<u>634,930</u>	<u>79,803</u>
<b>EXPENDITURES - BUDGET UNIT</b>	<u>322,742</u>	<u>322,726</u>	<u>16</u>	<u>576,807</u>	<u>517,584</u>	<u>59,223</u>
Revenues over (under) expenditures	<u>(172,920)</u>	<u>(180,127)</u>	<u>(7,207)</u>	<u>(21,680)</u>	<u>117,346</u>	<u>139,026</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	175,092	175,092	-	48,690	50,317	1,627
Transfers out	-	-	-	(37,752)	(37,752)	-
Issuance of debt	-	-	-	-	-	-
Total other financing sources (uses)	<u>175,092</u>	<u>175,092</u>	<u>-</u>	<u>10,938</u>	<u>12,565</u>	<u>1,627</u>
Revenues and other sources over (under) expenditures	<u><u>2,172</u></u>	<u>(5,035)</u>	<u><u>(7,207)</u></u>	<u><u>(10,742)</u></u>	<u>129,911</u>	<u><u>140,653</u></u>
<b>FUND BALANCE (DEFICIT), beginning of year, originally reported</b>		24,214			281,141	
prior period adjustment		-			-	
beginning of year, restated		<u>24,214</u>			<u>281,141</u>	
<b>FUND BALANCE (DEFICIT), end of year</b>		<u><u>\$ 19,179</u></u>			<u><u>\$ 411,052</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, 2020**

	<b>Dispatch/Communications</b>			<b>Permissive Medical Levy</b>		
	<b>Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>	<b>Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>
<b>REVENUES</b>						
Taxes	\$ -	-	-	\$ 444,330	452,014	7,684
Special assessments	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	106,941	106,941	-	-	-
Charges for services	390,576	332,300	(58,276)	-	-	-
Fines and forfeitures	-	-	-	-	-	-
Interest on investments	-	(319)	(319)	-	1,342	1,342
Other	-	-	-	-	-	-
Total revenues	<u>390,576</u>	<u>438,922</u>	<u>48,346</u>	<u>444,330</u>	<u>453,356</u>	<u>9,026</u>
<b>EXPENDITURES - BUDGET UNIT</b>	<u>648,916</u>	<u>599,671</u>	<u>49,245</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues over (under) expenditures	<u>(258,340)</u>	<u>(160,749)</u>	<u>97,591</u>	<u>444,330</u>	<u>453,356</u>	<u>9,026</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	358,826	382,204	23,378	-	-	-
Transfers out	(68,736)	(68,736)	-	(444,330)	(437,775)	6,555
Issuance of debt	-	-	-	-	-	-
Total other financing sources (uses)	<u>290,090</u>	<u>313,468</u>	<u>23,378</u>	<u>(444,330)</u>	<u>(437,775)</u>	<u>6,555</u>
Revenues and other sources over (under) expenditures	<u><u>31,750</u></u>	<u><u>152,719</u></u>	<u><u>120,969</u></u>	<u><u>-</u></u>	<u><u>15,581</u></u>	<u><u>15,581</u></u>
<b>FUND BALANCE (DEFICIT),</b>						
beginning of year, originally reported		22,668			31,954	
prior period adjustment		-			-	
beginning of year, restated		<u>22,668</u>			<u>31,954</u>	
<b>FUND BALANCE (DEFICIT),</b>						
end of year		<u><u>\$ 175,387</u></u>			<u><u>\$ 47,535</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, 2020**

	<b>CDBG Economic Development Revolving</b>			<b>Impact Fees</b>		
	<b>Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>	<b>Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>
<b>REVENUES</b>						
Taxes	\$ -	-	-	\$ -	-	-
Special assessments	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	65,120	190,838	125,718
Fines and forfeitures	-	-	-	-	-	-
Interest on investments	3,000	2,924	(76)	1,000	2,301	1,301
Other	60,000	8,975	(51,025)	-	-	-
Total revenues	63,000	11,899	(51,101)	66,120	193,139	127,019
<b>EXPENDITURES - BUDGET UNIT</b>	655,406	9,192	646,214	83,319	60,948	22,371
Revenues over (under) expenditures	(592,406)	2,707	595,113	(17,199)	132,191	149,390
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Issuance of debt	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Revenues and other sources over (under) expenditures	(592,406)	2,707	595,113	(17,199)	132,191	149,390
<b>FUND BALANCE (DEFICIT),</b>						
beginning of year, originally reported		615,574			217,146	
prior period adjustment		114,057			-	
beginning of year, restated		729,631			217,146	
<b>FUND BALANCE (DEFICIT),</b>						
end of year		\$ 732,338			\$ 349,337	

(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, 2020**

	<b>S.I.D. Lighting</b>			<b>Street Maintenance</b>		
	<b>Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>	<b>Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>
<b>REVENUES</b>						
Taxes	\$ -	-	-	\$ -	-	-
Special assessments	149,900	145,980	(3,920)	1,030,607	1,006,136	(24,471)
Licenses and permits	-	-	-	-	16,600	16,600
Intergovernmental	-	-	-	-	296	296
Charges for services	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-
Interest on investments	250	388	138	500	256	(244)
Other	-	-	-	1,500	2,257	757
Total revenues	<u>150,150</u>	<u>146,368</u>	<u>(3,782)</u>	<u>1,032,607</u>	<u>1,025,545</u>	<u>(7,062)</u>
<b>EXPENDITURES - BUDGET UNIT</b>	<u>153,000</u>	<u>121,532</u>	<u>31,468</u>	<u>852,778</u>	<u>748,588</u>	<u>104,190</u>
Revenues over (under) expenditures	<u>(2,850)</u>	<u>24,836</u>	<u>27,686</u>	<u>179,829</u>	<u>276,957</u>	<u>97,128</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	-	-	-	31,280	32,944	1,664
Transfers out	-	-	-	(134,997)	(134,996)	1
Issuance of debt	-	-	-	-	20,000	20,000
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(103,717)</u>	<u>(82,052)</u>	<u>21,665</u>
Revenues and other sources over (under) expenditures	<u>(2,850)</u>	<u>24,836</u>	<u>27,686</u>	<u>76,112</u>	<u>194,905</u>	<u>118,793</u>
<b>FUND BALANCE (DEFICIT),</b>						
beginning of year, originally reported		90,741			145,128	
prior period adjustment		-			-	
beginning of year, restated		<u>90,741</u>			<u>145,128</u>	
<b>FUND BALANCE (DEFICIT),</b>						
end of year		<u>\$ 115,577</u>			<u>\$ 340,033</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, 2020**

	<b>Sidewalks</b>			<b>Business Improvement District</b>		
	<b>Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>	<b>Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>
<b>REVENUES</b>						
Taxes	\$ -	-	-	\$ -	-	-
Special assessments	179,661	119,265	(60,396)	42,150	42,336	186
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-
Interest on investments	300	(684)	(984)	50	63	13
Other	-	-	-	-	-	-
Total revenues	179,961	118,581	(61,380)	42,200	42,399	199
<b>EXPENDITURES - BUDGET UNIT</b>	184,800	184,764	36	46,315	41,504	4,811
Revenues over (under) expenditures	(4,839)	(66,183)	(61,344)	(4,115)	895	5,010
<b>OTHER FINANCING SOURCES</b>						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Issuance of debt	-	-	-	-	-	-
Total other financing sources	-	-	-	-	-	-
Revenues and other sources over (under) expenditures	<u>(4,839)</u>	<u>(66,183)</u>	<u>(61,344)</u>	<u>(4,115)</u>	<u>895</u>	<u>5,010</u>
<b>FUND BALANCE (DEFICIT), beginning of year, originally reported</b>		(64,691)			18,882	
prior period adjustment		-			-	
beginning of year, restated		<u>(64,691)</u>			<u>18,882</u>	
<b>FUND BALANCE (DEFICIT), end of year</b>		<u>\$ (130,874)</u>			<u>\$ 19,777</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, 2020**

	<b>Parks Department</b>			<b>Law Enforcement</b>		
	<b>Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>	<b>Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>
<b>REVENUES</b>						
Taxes	\$ -	-	-	\$ -	-	-
Special assessments	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-
Interest on investments	500	512	12	30	48	18
Other	2,000	-	(2,000)	-	-	-
Total revenues	2,500	512	(1,988)	30	48	18
<b>EXPENDITURES - BUDGET UNIT</b>	-	-	-	6,502	-	6,502
Revenues over (under) expenditures	2,500	512	(1,988)	(6,472)	48	6,520
<b>OTHER FINANCING SOURCES</b>						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Issuance of debt	-	-	-	-	-	-
Total other financing sources	-	-	-	-	-	-
Revenues and other sources over (under) expenditures	2,500	512	(1,988)	(6,472)	48	6,520
<b>FUND BALANCE (DEFICIT), beginning of year, originally reported</b>		70,032			6,486	
prior period adjustment		-			-	
beginning of year, restated		70,032			6,486	
<b>FUND BALANCE (DEFICIT), end of year</b>		\$ 70,544			\$ 6,534	

(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, 2020**

	<b>Gas Tax Apportionment</b>			<b>Total</b>		
	<b>Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>	<b>Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>
<b>REVENUES</b>						
Taxes	\$ -	-	-	\$ 684,416	696,033	11,617
Special assessments	-	-	-	1,402,318	1,313,717	(88,601)
Licenses and permits	-	-	-	-	16,600	16,600
Intergovernmental	265,100	149,400	(115,700)	722,513	783,784	61,271
Charges for services	150	350	200	461,846	526,700	64,854
Fines and forfeitures	-	-	-	-	771	771
Interest on investments	500	944	444	5,580	8,012	2,432
Other	-	-	-	65,500	13,375	(52,125)
Total revenues	265,750	150,694	(115,056)	3,342,173	3,358,992	16,819
<b>EXPENDITURES - BUDGET UNIT</b>	181,000	139,804	41,196	3,711,585	2,746,313	965,272
Revenues over (under) expenditures	84,750	10,890	(73,860)	(369,412)	612,679	982,091
<b>OTHER FINANCING SOURCES</b>						
Transfers in	-	-	-	613,888	640,557	26,669
Transfers out	-	-	-	(685,815)	(679,259)	6,556
Issuance of debt	-	-	-	-	20,000	20,000
Total other financing sources	-	-	-	(71,927)	(18,702)	53,225
Revenues and other sources over (under) expenditures	84,750	10,890	(73,860)	(441,339)	593,977	1,035,316
<b>FUND BALANCE (DEFICIT), beginning of year, originally reported</b>		103,490			1,562,765	
prior period adjustment		-			114,057	
beginning of year, restated		103,490			1,676,822	
<b>FUND BALANCE (DEFICIT), end of year</b>		\$ 114,380			\$ 2,270,799	

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, 2020**

	<b>2016 Fire Truck GO Bonds</b>			<b>2000 Fire Truck GO Bonds</b>		
	<b>Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>	<b>Budget</b>	<b>Actual</b>	<b>Variance Favorable (Unfavorable)</b>
<b>REVENUES</b>						
Taxes	\$ 32,115	36,247	4,132	\$ 21,176	23,810	2,634
Special assessments	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Interest on investments	50	243	193	100	166	66
Other	-	-	-	-	-	-
Total revenue	<u>32,165</u>	<u>36,490</u>	<u>4,325</u>	<u>21,276</u>	<u>23,976</u>	<u>2,700</u>
<b>EXPENDITURES</b>						
Current - General Government	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Debt service						
Principal	30,000	31,775	(1,775)	35,000	35,000	-
Interest and fiscal fees	<u>21,244</u>	<u>19,469</u>	<u>1,775</u>	<u>1,050</u>	<u>1,050</u>	<u>-</u>
Total expenditures	<u>51,244</u>	<u>51,244</u>	<u>-</u>	<u>36,050</u>	<u>36,050</u>	<u>-</u>
Revenues over (under) expenditures	<u>(19,079)</u>	<u>(14,754)</u>	<u>4,325</u>	<u>(14,774)</u>	<u>(12,074)</u>	<u>2,700</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
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>(19,079)</u>	<u>(14,754)</u>	<u>4,325</u>	<u>(14,774)</u>	<u>(12,074)</u>	<u>2,700</u>
<b>FUND BALANCE (DEFICIT), beginning of year</b>		<u>33,895</u>			<u>17,011</u>	
<b>FUND BALANCE (DEFICIT), end of year</b>		<u>\$ 19,141</u>			<u>\$ 4,937</u>	

(continued)

See the Independent Auditors' Report.



**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, 2020**

	<b>West End Tax Increment District</b>			<b>S.I.D. Revolving</b>		
	<b>Budget</b>	<b>Actual</b>	<b>Variance Favorable (Unfavorable)</b>	<b>Budget</b>	<b>Actual</b>	<b>Variance Favorable (Unfavorable)</b>
<b>REVENUES</b>						
Taxes	\$ 108,400	127,571	19,171	\$ -	-	-
Special assessments	-	-	-	-	-	-
Intergovernmental	13,189	13,189	-	-	-	-
Charges for services	-	-	-	-	-	-
Interest on investments	1,500	2,334	834	120	177	57
Other	-	-	-	-	-	-
Total revenue	<u>123,089</u>	<u>143,094</u>	<u>20,005</u>	<u>120</u>	<u>177</u>	<u>57</u>
<b>EXPENDITURES</b>						
Current - General government	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Debt service						
Principal	60,000	60,000	-	-	-	-
Interest and fiscal fees	<u>14,438</u>	<u>14,438</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>74,438</u>	<u>74,438</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues over (under) expenditures	<u>48,651</u>	<u>68,656</u>	<u>20,005</u>	<u>120</u>	<u>177</u>	<u>57</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
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>48,651</u>	<u>68,656</u>	<u>20,005</u>	<u>120</u>	<u>177</u>	<u>57</u>
<b>FUND BALANCE (DEFICIT), beginning of year</b>		<u>308,704</u>			<u>24,127</u>	
<b>FUND BALANCE (DEFICIT), end of year</b>		<u>\$ 377,360</u>			<u>\$ 24,304</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, 2020**

	S.I.D. 179			S.I.D. 80		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>						
Taxes	\$ -	-	-	\$ -	-	-
Special assessments	34,563	34,563	-	3,747	3,755	8
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Interest on investments	120	189	69	(50)	(57)	(7)
Other	-	-	-	-	-	-
Total revenue	<u>34,683</u>	<u>34,752</u>	<u>69</u>	<u>3,697</u>	<u>3,698</u>	<u>1</u>
<b>EXPENDITURES</b>						
Current - General government	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Debt service						
Principal	26,000	26,000	-	-	-	-
Interest and fiscal fees	<u>6,356</u>	<u>6,356</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>32,356</u>	<u>32,356</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues over (under) expenditures	<u>2,327</u>	<u>2,396</u>	<u>69</u>	<u>3,697</u>	<u>3,698</u>	<u>1</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
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>2,327</u>	2,396	<u>69</u>	<u>3,697</u>	3,698	<u>1</u>
<b>FUND BALANCE (DEFICIT), beginning of year</b>		<u>21,140</u>			<u>(8,927)</u>	
<b>FUND BALANCE (DEFICIT), end of year</b>		<u>\$ 23,536</u>			<u>\$ (5,229)</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, 2020**

	<b>Total</b>		<b>Variance</b>
	<b>Budget</b>	<b>Actual</b>	<b>Positive</b>
			<b>(Negative)</b>
<b>REVENUES</b>			
Taxes	\$ 161,691	187,628	25,937
Special assessments	38,310	38,318	8
Intergovernmental	13,189	13,189	-
Charges for services	-	-	-
Interest on investments	1,840	3,052	1,212
Other	-	-	-
Total revenue	<u>215,030</u>	<u>242,187</u>	<u>27,157</u>
<b>EXPENDITURES</b>			
Current - General government	-	-	-
Capital outlay	-	-	-
Debt service			
Principal	151,000	152,775	(1,775)
Interest and fiscal fees	43,088	41,313	1,775
Total expenditures	<u>194,088</u>	<u>194,088</u>	<u>-</u>
Revenues over (under)			
expenditures	<u>20,942</u>	<u>48,099</u>	<u>27,157</u>
<b>OTHER FINANCING SOURCES</b>			
<b>(USES)</b>			
Transfers in	-	-	-
Transfers out	-	-	-
Total other financing			
sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Revenues and other			
sources over (under)			
expenditures and			
other uses	<u>20,942</u>	48,099	<u>27,157</u>
<b>FUND BALANCE (DEFICIT),</b>			
beginning of year		<u>395,950</u>	
<b>FUND BALANCE (DEFICIT),</b>			
end of year		<u>\$ 444,049</u>	

See the Independent Auditors' Report.

**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, 2020**

	Capital Improvements			Library Extension		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>						
Taxes	\$ -	-	-	\$ -	-	-
Special assessments	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Interest on investments	30	55	25	150	184	34
Other	-	-	-	-	-	-
Total revenue	<u>30</u>	<u>55</u>	<u>25</u>	<u>150</u>	<u>184</u>	<u>34</u>
<b>EXPENDITURES</b>						
Current - General Government	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Debt service						
Principal	-	-	-	-	-	-
Interest and fiscal fees	-	-	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues over (under) expenditures	<u>30</u>	<u>55</u>	<u>25</u>	<u>150</u>	<u>184</u>	<u>34</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
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>	<u>-</u>
Revenues and other sources over (under) expenditures and other uses	<u>30</u>	<u>55</u>	<u>25</u>	<u>150</u>	<u>184</u>	<u>34</u>
<b>FUND BALANCE (DEFICIT), beginning of year</b>		<u>8,435</u>			<u>25,097</u>	
<b>FUND BALANCE (DEFICIT), end of year</b>		<u>\$ 8,490</u>			<u>\$ 25,281</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, 2020**

	<u>Railroad Underpass</u>		<u>Total</u>		<u>Variance Positive (Negative)</u>
	<u>Budget</u>	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>	
<b>REVENUES</b>					
Taxes	\$ -	11	\$ -	11	11
Special assessments	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Charges for services	-	-	-	-	-
Interest on investments	250	189	430	428	(2)
Other	-	-	-	-	-
Total revenue	<u>250</u>	<u>200</u>	<u>430</u>	<u>439</u>	<u>9</u>
<b>EXPENDITURES</b>					
Current - General government	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service					
Principal	30,374	30,374	30,374	30,374	-
Interest and fiscal fees	<u>1,798</u>	<u>1,798</u>	<u>1,798</u>	<u>1,798</u>	<u>-</u>
Total expenditures	<u>32,172</u>	<u>32,172</u>	<u>32,172</u>	<u>32,172</u>	<u>-</u>
Revenues over (under) expenditures	<u>(31,922)</u>	<u>(31,972)</u>	<u>(31,742)</u>	<u>(31,733)</u>	<u>9</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	8,000	8,000	8,000	8,000	-
Transfers out	-	-	-	-	-
Premium on issuance of debt	-	-	-	-	-
Issuance of debt	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>8,000</u>	<u>8,000</u>	<u>8,000</u>	<u>8,000</u>	<u>-</u>
Revenues and other sources over (under) expenditures and other uses	<u>(23,922)</u>	<u>(23,972)</u>	<u>(23,742)</u>	<u>(23,733)</u>	<u>9</u>
<b>FUND BALANCE (DEFICIT), beginning of year</b>		<u>50,007</u>		<u>83,539</u>	
<b>FUND BALANCE (DEFICIT), end of year</b>		<u>\$ 26,035</u>		<u>\$ 59,806</u>	

See the Independent Auditors' Report.

**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, 2020**

	<b>Cemetery Perpetual Care</b>		
	<b>Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>
<b>REVENUES</b>			
Taxes	\$ -	-	-
Special assessments	-	-	-
Intergovernmental	-	-	-
Charges for services	3,500	2,975	(525)
Interest on investments	1,750	2,566	816
Other	-	-	-
Total revenue	<u>5,250</u>	<u>5,541</u>	<u>291</u>
<b>EXPENDITURES</b>			
Current - General government	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Revenues over (under) expenditures	<u>5,250</u>	<u>5,541</u>	<u>291</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	-	-	-
Transfers out	<u>(2,570)</u>	<u>(2,566)</u>	<u>4</u>
Total other financing sources (uses)	<u>(2,570)</u>	<u>(2,566)</u>	<u>4</u>
Revenues and other sources over (under) expenditures and other uses	<u><u>2,680</u></u>	<u>2,975</u>	<u><u>295</u></u>
<b>FUND BALANCE (DEFICIT), beginning of year</b>		<u>241,903</u>	
<b>FUND BALANCE (DEFICIT), end of year</b>		<u><u>\$ 244,878</u></u>	

See Independent Auditors' Report.

## AGENCY FUNDS STATEMENTS

**CITY OF LIVINGSTON, MONTANA**  
**AGENCY FUNDS**  
**COMBINING STATEMENT OF FIDUCIARY NET POSITION**  
**June 30, 2020**

	<u>Payroll Agency</u>
ASSETS	
Cash and cash equivalents	\$ 206,538
Prepaid health insurance	<u>41,772</u>
Total assets	<u><u>\$ 248,310</u></u>
LIABILITIES	
Accounts payable	<u>\$ 248,310</u>
Total liabilities	<u><u>\$ 248,310</u></u>

See Independent Auditors' Report.



**CITY OF LIVINGSTON, MONTANA**  
**AGENCY FUNDS**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**Year Ended June 30, 2020**

	<b>Payroll Agency</b>			
	<b>Balance June 30, 2019</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance June 30, 2020</b>
ASSETS				
Cash and cash equivalents	\$ 52,298	\$ 154,240	\$ -	\$ 206,538
Prepaid health insurance	67,302	-	(25,530)	41,772
Total assets	<u>\$ 119,600</u>	<u>\$ 154,240</u>	<u>\$ (25,530)</u>	<u>\$ 248,310</u>
LIABILITIES				
Accounts payable	119,600	-	128,710	248,310
Total liabilities	<u>\$ 119,600</u>	<u>\$ -</u>	<u>\$ 128,710</u>	<u>\$ 248,310</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.

<b>Contents</b>	<b>Page</b>
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>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>	<u>2020</u>
Governmental activities										
Net investment in capital assets	\$ 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	\$ 13,341,285
Nonspendable - Cemetery perpetual care	213,093	223,302	219,534	222,258	232,837	235,763	238,636	240,415	241,903	244,878
Restricted - Expendable	-	-	-	-	131	80	80	-	-	-
Restricted for General Government	257,535	-	-	-	-	-	-	-	-	-
Restricted for Public Works	169,005	195,117	203,686	274,167	384,746	289,583	316,894	328,874	247,207	378,038
Restricted for Public Safety	-	-	7,753	280	281	282	283	-	49,857	49,947
Restricted for Culture and Recreation	-	-	129,183	137,058	128,044	118,125	61,865	-	23,572	35,732
Restricted for Debt Service	147,350	185,384	227,928	111,547	563,178	606,564	603,929	650,976	379,710	421,538
Unrestricted - Long-term Receivable	131,465	131,465	123,333	109,463	-	-	-	-	-	-
Unrestricted	3,150,717	3,798,037	3,848,976	3,944,824	117,488	10,063	(873,785)	(1,052,689)	392,182	981,436
Total governmental activities	<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>	<u>\$ 15,452,854</u>
Business-type activities										
Net investment in capital assets	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	20,566,369
Restricted for Debt Service	-	264,538	264,538	297,373	297,373	239,538	239,538	522,096	915,764	846,970
Unrestricted	1,030,158	663,525	558,508	274,064	(726,022)	334,821	1,785,618	1,916,154	1,599,455	1,919,053
Total business-type activities	<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>	<u>\$ 23,332,392</u>
Primary government										
Net investment in capital assets	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	33,907,654
Nonspendable - Cemetery perpetual care	213,093	223,302	219,534	222,258	232,837	235,763	238,636	240,415	241,903	244,878
Restricted - Expendable	-	-	-	-	131	80	80	-	-	-
Restricted for General Government	257,535	-	-	-	-	-	-	-	-	-
Restricted for Public Works	169,005	195,117	203,686	274,167	384,746	289,583	316,894	328,874	247,207	378,038
Restricted for Public Safety	-	-	7,753	280	281	282	283	-	49,857	49,947
Restricted for Culture and Recreation	-	-	129,183	137,058	128,044	118,125	61,865	-	23,572	35,732
Restricted for Debt Service	147,350	449,922	492,466	408,920	860,551	846,102	843,467	1,173,072	1,295,474	1,268,508
Unrestricted - Long-term Receivable	131,465	131,465	123,333	109,463	-	-	-	-	-	-
Unrestricted	4,180,875	4,461,562	4,407,484	4,218,888	(608,534)	344,884	911,833	863,465	1,991,637	2,900,489
Total primary government net position	<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>	<u>\$ 38,785,246</u>

Unaudited statistical section.

**CITY OF LIVINGSTON**  
**CHANGES IN NET POSITION**  
**Last Ten Fiscal Years**

	<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>	<u>2020</u>
<b>EXPENSES</b>										
Governmental activities:										
General government	\$ 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	\$ 1,460,018
Public safety	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	3,760,377
Public works	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	1,633,362
Public health	96,381	98,443	116,736	112,524	108,937	126,097	131,346	118,479	125,179	160,943
Culture and recreation	976,499	965,639	996,843	970,960	1,069,027	1,042,414	1,155,098	1,054,015	1,206,387	1,286,079
Interest on long-term debt	71,427	77,361	50,831	49,771	45,618	42,674	71,621	61,644	128,869	124,641
Total governmental activities expenses	<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>	<u>\$ 8,425,420</u>
Business-type activities:										
Water	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	1,183,508
Wastewater	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	2,453,140
Solid waste	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	2,029,699
Ambulance	1,059,037	613,363	636,765	660,829	661,904	813,205	956,312	1,138,985	1,455,080	1,561,738
Total business-type activities expenses	<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>	<u>7,228,085</u>
Total primary government expenses	<u><u>\$ 10,658,376</u></u>	<u><u>\$ 10,592,486</u></u>	<u><u>\$ 10,983,842</u></u>	<u><u>\$ 11,872,051</u></u>	<u><u>\$ 12,201,282</u></u>	<u><u>\$ 11,918,932</u></u>	<u><u>\$ 13,111,587</u></u>	<u><u>\$ 13,213,763</u></u>	<u><u>\$ 14,125,651</u></u>	<u><u>\$ 15,653,505</u></u>
<b>PROGRAM REVENUES</b>										
Governmental activities:										
Charges for Services:										
General government	161,749	161,870	165,481	188,666	195,798	192,165	171,750	193,042	332,778	336,710
Public safety	390,667	434,824	418,833	396,905	471,018	452,286	432,552	430,449	471,663	696,516
Public works	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	1,350,824
Public health	-	-	-	-	-	-	-	-	-	21,812
Culture and recreation	105,748	116,791	113,506	104,158	96,009	77,683	138,428	115,808	121,467	97,082
Operating grants and contributions	782,756	831,849	799,383	832,410	1,324,873	704,709	720,953	1,132,352	1,300,519	1,806,885
Capital grants and contributions	396,285	165,707	174,399	258,531	181,879	565,561	419,466	149,873	220,266	69,306
Total governmental activities program revenues	<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>	<u>\$ 4,379,135</u>

Unaudited statistical section.

**CITY OF LIVINGSTON  
CHANGES IN NET POSITION  
Last Ten Fiscal Years**

	<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>	<u>2020</u>
Business-type activities:										
Charges for Services:										
Water	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	1,646,245
Sewer	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	2,565,974
Solid waste	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	2,473,568
Ambulance	1,130,187	603,331	591,979	782,272	677,065	760,768	874,660	1,219,922	1,379,124	1,891,558
Operating grants and contributions	-	-	-	8,558	23,925	114,922	96,147	116,601	160,661	263,796
Capital grants and contributions	252,281	-	23,118	-	-	-	-	2,040,135	40,086	232,668
Total business-type activities program revenues	<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>	<u>9,073,809</u>
Total primary government program revenues	<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>	<u>\$ 13,452,944</u>
<b>Net (Expense) / Revenue</b>										
Governmental activities	(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)	(4,046,285)
Business-type activities	818,825	629,322	804,292	741,214	1,409,811	1,511,456	1,812,725	4,094,868	1,878,704	1,845,724
Total primary government net position	<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>	<u>\$ (2,200,561)</u>
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Property taxes, levied for general purposes	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	3,646,615
Property taxes, levied for debt service	-	-	-	-	-	-	-	90,180	117,330	60,057
Miscellaneous	62,957	341,391	256,361	217,778	250,435	882,894	220,956	441,139	111,349	88,432
Transfers	485,431	453,586	472,154	488,809	571,733	592,249	640,012	636,750	634,994	758,120
Unrestricted investment earnings	32,261	23,249	15,378	27,218	19,747	13,761	18,098	16,510	28,447	33,803
Intergovernmental	947,400	964,641	965,687	1,030,516	1,061,296	1,085,649	1,114,846	1,118,777	1,138,871	1,177,400
Total governmental activities	<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>	<u>\$ 5,764,427</u>
Business-type activities:										
Property taxes levied	34,864	34,543	37,074	25,999	33,379	20,730	22,153	23,352	24,718	28,628
Miscellaneous	-	14,895	25,000	-	-	-	-	-	-	2,112
Transfers	(485,431)	(453,586)	(472,154)	(488,809)	(571,733)	(592,249)	(640,012)	(636,750)	(634,994)	(758,120)
Unrestricted investment earnings	18,266	8,578	7,932	9,800	7,313	5,660	14,202	18,930	23,486	28,870
Total business-type activities	<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>	<u>(698,510)</u>
Total primary government	<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>	<u>\$ 5,065,917</u>
<b>Change in Net Position</b>										
Governmental Activities	1,321,463	732,059	937,017	900,853	757,110	1,625,724	148,021	1,004,727	1,101,686	1,718,142
Business-type Activities	386,524	233,752	402,144	288,204	878,770	945,597	1,209,068	3,500,400	1,291,914	1,147,214
Total primary government	<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>	<u>\$ 2,865,356</u>

Unaudited statistical section.

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

	<b>Fiscal Year</b>									
	<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>	<u>2020</u>
General Fund										
Nonspendable	\$ 131,465	\$ 136,799	\$ 123,333	\$ 95,177	\$ 80,464	\$ 65,307	\$ 49,698	\$ 67,507	\$ 17,058	\$ 17,058
Restricted	-	-	-	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	7,122	-	-	-	-	-	-	-
Unassigned	298,274	341,903	345,096	562,948	509,161	451,551	432,790	676,473	1,397,720	2,221,988
Total general fund	<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>	<u>\$ 2,239,046</u>
All Other Governmental										
Nonspendable	213,093	217,968	219,534	222,258	229,168	235,843	238,716	240,415	241,903	244,878
Restricted	573,890	498,239	568,550	915,801	1,076,249	1,014,554	982,971	979,850	700,346	885,255
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	2,515,955
Assigned	32,985	31,785	4,433	4,410	3,800	-	-	-	-	-
Unassigned	(70,794)	(36,430)	(144,799)	(49,179)	(51,604)	(136,214)	(48,004)	(70,347)	(73,618)	(136,103)
Total all other governmental funds	<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>	<u>\$ 3,509,985</u>

Unaudited statistical section.



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

	Fiscal Year									
	<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>	<u>2020</u>
<b>REVENUES</b>										
Taxes and assessments	\$ 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	\$ 5,064,307
Licenses and permits	256,846	246,605	247,882	313,561	375,851	274,795	316,643	348,799	336,999	366,441
Intergovernmental	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	3,053,591
Charges for service	388,664	423,153	411,730	547,724	566,565	458,354	587,935	472,385	528,664	631,480
Fines and forfeitures	137,846	149,204	157,247	118,987	117,487	103,740	116,958	122,597	131,683	122,155
Interest on investments	32,261	23,249	15,378	27,218	19,747	13,761	18,098	16,510	28,447	33,803
Loan repayment	222,542	66,244	167,132	282,641	40,503	52,564	101,631	59,651	26,029	-
Other	62,957	341,391	256,361	217,778	250,435	882,894	220,956	441,139	111,349	88,432
Total revenues	<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>	<u>\$ 9,360,209</u>
<b>EXPENDITURES</b>										
General government	\$ 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	\$ 1,421,106
Public safety	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	3,499,577
Public works	765,986	896,448	672,562	837,353	1,219,943	1,252,125	1,320,004	1,320,692	1,594,427	1,281,295
Public health	90,465	91,967	110,944	107,870	104,189	118,289	124,219	110,897	116,833	152,420
Culture and recreation	928,701	888,476	909,444	907,607	989,419	927,342	1,043,002	927,487	990,793	1,067,404
Capital outlay	978,324	580,357	1,412,053	1,099,251	940,300	2,236,199	2,209,602	1,377,298	2,428,290	1,389,521
Debt service										
Principal	206,019	348,000	95,000	142,084	173,997	182,367	263,835	260,186	357,865	367,889
Interest and other charges	71,427	77,361	50,831	49,771	45,618	42,674	71,621	61,644	128,869	124,641
Total expenditures	<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>	<u>\$ 9,303,853</u>
Excess (deficiency) of revenues over expenditures	(355,232)	(373,627)	(493,296)	162,130	(623,789)	(1,044,001)	(2,246,845)	(718,347)	(1,755,155)	56,356
<b>OTHER FINANCING SOURCES (USES)</b>										
Issuance of debt	-	-	400,000	113,521	-	159,625	825,000	-	2,234,269	20,000
Transfers in	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	1,775,245
Transfers out	(528,835)	(659,623)	(592,371)	(813,577)	(603,928)	(777,177)	(461,794)	(516,737)	(1,100,167)	(1,017,125)
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	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<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>	<u>\$ 778,120</u>
<b>EXTRAORDINARY ITEMS</b>	<u>245,434</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<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>	<u>\$ 834,476</u>
Debt service as a percentage of noncapital expenditures	4.6%	6.6%	2.4%	3.0%	2.9%	3.2%	4.3%	4.2%	6.2%	6.2%

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**

<b>Fiscal Year Ended <u>June 30,</u></b>	<b><u>Residential Property</u></b>	<b><u>Commercial &amp; Industrial Property</u></b>	<b><u>Agricultural Property</u></b>	<b><u>Total Taxable Value</u></b>	<b><u>Total Direct Tax Rate</u></b>
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	230.71
2020	11,123,401	3,530,444	513,201	15,167,046	205.93

Source: City of Livingston Finance Department  
Department of Revenue

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

**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>
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	219.21	11.50	230.71	321.33	117.98	46.00
2020	199.78	6.15	205.93	284.19	115.24	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		
	2019			2010		
			Percentage			Percentage
	Taxable	Rank	of Total City	Taxable	Rank	of Total City
	Assessed		Assessed	Assessed		Assessed
	<u>Value</u>	<u>Rank</u>	<u>Value</u>	<u>Value</u>	<u>Rank</u>	<u>Value</u>
Northwestern Energy Transmission & Distribution	\$ 1,618,713	1	10.67%	\$ 904,218	1	8.29%
Montana Rail Link, Inc	575,489	2	3.79%	445,145	2	4.08%
Printingforless.com Inc.	203,331	3	1.34%	116,209	4	1.07%
MAA Best Yellowstone Hospitality, LLC	89,954	4	0.59%			
Qwest Corporation	81,801	5	0.54%	242,611	3	2.23%
Albertson's LLC	68,265	6	0.45%			
First Interstate Bank	65,581	7	0.43%	62,825	8	0.58%
Vista East, LLC	64,579	8	0.43%			
Charter Communications, Inc.	63,210	9	0.42%	95,970	6	0.88%
American Bank of Montana	60,384	10	0.40%			
Printingforless				64,695	7	0.59%
New Albertson's Inc.				102,916	5	0.94%
Osterman, Sylvia				59,610	9	0.55%
Midstates Development, Inc.				56,538	10	0.52%
Total	<u>\$ 2,891,307</u>		<u>19.06%</u>	<u>\$ 2,150,737</u>		<u>10.92%</u>
Total City Taxable Assessed Value	<u>\$ 15,167,046</u>			<u>\$ 10,901,046</u>		

Source: State of Montana Assessor's Office

Unaudited statistical section.

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

<b>Fiscal Year Ended June 30,</b>	<b>Taxes Levied for the Fiscal Year</b>	<b>Collected within the Fiscal Year of the Levy</b>		<b>Collections in Subsequent Years</b>	<b>Total Collections to Date</b>	
		<b>Amount</b>	<b>Percentage of Levy</b>		<b>Amount</b>	<b>Percentage of Levy</b>
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%	198,580	1,534,770	99.94%
2007	1,821,767	1,672,805	91.82%	148,458	1,821,263	99.97%
2008	1,944,748	1,689,591	86.88%	254,421	1,944,012	99.96%
2009	2,006,597	1,761,566	87.79%	244,568	2,006,134	99.98%
2010	2,197,531	2,109,410	95.99%	85,181	2,194,591	99.87%
2011	2,298,258	2,185,537	95.10%	109,659	2,295,196	99.87%
2012	2,307,395	2,148,330	93.11%	156,750	2,305,080	99.90%
2013	2,432,073	2,326,903	95.68%	102,760	2,429,663	99.90%
2014	2,423,005	2,366,838	97.68%	55,872	2,422,711	99.99%
2015	2,397,867	2,376,542	99.11%	19,094	2,395,636	99.91%
2016	2,464,833	2,436,205	98.84%	27,710	2,463,915	99.96%
2017	2,666,801	2,640,286	99.01%	26,035	2,666,321	99.98%
2018	2,779,942	2,742,542	98.65%	35,937	2,778,479	99.95%
2019	2,953,780	2,922,051	98.93%	27,308	2,949,359	99.85%
2020	2,955,032	2,926,203	99.02%	-	2,926,203	99.02%

Unaudited statistical section.

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

	<b>Fiscal Year</b>									
	<b><u>2011</u></b>	<b><u>2012</u></b>	<b><u>2013</u></b>	<b><u>2014</u></b>	<b><u>2015</u></b>	<b><u>2016</u></b>	<b><u>2017</u></b>	<b><u>2018</u></b>	<b><u>2019</u></b>	<b><u>2020</u></b>
<b>Water</b>										
Residential	3,058	3,064	3,065	3,091	3,126	3,306	3,269	3,357	3,435	3,452
Commercial	344	361	363	361	368	377	375	345	380	378
Industrial	3	3	3	3	3	3	3	3	3	3
Total Water	3,405	3,428	3,431	3,455	3,497	3,686	3,647	3,705	3,818	3,833
<b>Sewer</b>										
Residential	2,925	2,931	2,934	2,963	2,995	3,172	3,134	3,192	3,233	3,290
Commercial	323	325	328	330	335	342	336	341	371	370
Industrial	1	1	1	1	1	1	1	2	1	1
Total Sewer	3,249	3,257	3,263	3,294	3,331	3,515	3,471	3,535	3,605	3,661
<b>Solid Waste</b>										
Residential	3,018	3,019	3,020	3,041	3,062	3,210	3,167	3,184	3,256	3,415
Commercial	298	315	316	314	309	312	344	330	333	343
Industrial	-	-	-	-	-	-	-	-	-	-
Total Solid Waste	3,316	3,334	3,336	3,355	3,371	3,522	3,511	3,514	3,589	3,758

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>	<u>2020</u>
<b>Type of Customer</b>											
Residential	242,379	229,267	250,284	279,511	252,688	229,636	286,325	267,087	254,728	254,922	222,331
Commercial	82,031	78,684	83,381	84,794	80,654	84,003	86,673	91,729	84,591	87,332	80,646
Industrial	2,637	3,443	3,227	3,904	5,786	966	1,652	4,889	8,945	1,206	1,181
Total	327,047	311,394	336,892	368,209	339,128	314,605	374,650	363,705	348,264	343,460	304,158

Source: City of Livingston Utility Department

Unaudited statistical section.



**CITY OF LIVINGSTON  
WATER AND SEWER RATES  
Past Ten Fiscal Years**

<b>Water</b>			<b>Sewer</b>		
<b>Fiscal Year Ended June 30,</b>	<b>Monthly Base Rate</b>	<b>Rate per 1,000 Gallons</b>	<b>Fiscal Year Ended June 30,</b>	<b>Monthly Base Rate</b>	<b>Rate per 1,000 Gallons</b>
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
2020	12.76	2.84	2020	18.94	7.70

Sources:

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 4806  
City of Livingston, Montana Commission Resolution 4865

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  
City of Livingston, Montana Commission Resolution 4807

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	13.64%	612.73
2012	250,000	-	356,000	761,000	-	2,679,000	-	273,230	-	4,319,230	14.02%	618.36
2013	220,000	400,000	336,000	716,000	-	2,488,000	-	218,762	-	4,378,762	13.83%	622.43
2014	190,000	475,437	310,000	668,000	-	2,292,000	-	176,812	-	4,112,249	15.73%	580.42
2015	160,000	418,440	273,000	618,000	-	2,091,000	-	147,344	-	3,707,784	18.65%	523.33
2016	130,000	500,698	249,000	567,000	-	1,895,000	-	117,876	-	3,459,574	20.98%	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	14.71%	695.25
2018	788,728	371,657	201,000	457,000	-	11,552,528	-	30,589	-	13,401,502	6.01%	1,779.98
2019	685,000	511,910	176,000	2,290,000	-	15,438,040	-	15,295	-	19,116,245	4.13%	2,455.84
2020	650,178	408,794	150,000	2,169,008	-	15,762,151	-	-	-	19,140,131	4.48%	2,453.55

Sources: City of Livingston Finance Department

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

<sup>1</sup> 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**

<b>Fiscal Year Ended <u>June 30,</u></b>	<b>General Obligation <u>Bonds</u></b>	<b>Less: Amounts Available in Debt <u>Service Fund</u></b>	<b><u>Total</u></b>	<b>Percentage of Estimated Actual Taxable Value<sup>1</sup> of <u>Property</u></b>	<b>Per <u>Capita</u><sup>2</sup></b>
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
2020	650,178	24,078	626,100	4.13%	80.26

Sources: City of Livingston Finance Department

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

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

<sup>2</sup> 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, 2020	Applicable to the City of Livingston	As of June 30, 2019	Applicable to the City of Livingston
<u>City of Livingston, Montana</u>				
General obligation debt	\$ 650,178		\$ 685,000	
Special Assessment Bond	150,000		176,000	
Tax Increment Revenue Bonds	2,169,008		2,290,000	
Capital Leases	-		-	
Notes Payable	408,794		511,910	
	<hr/>		<hr/>	
Net general obligation debt	\$ 3,377,980	100%	\$ 3,662,910	100%
	<hr/>		<hr/>	
<u>Overlapping Bonded Indebtedness</u>				
Park County <sup>1</sup>	1,654,208	47.0%	878,964	46.5%
Livingston School District <sup>2</sup>				
Elementary District	-	75.7%	-	75.5%
High School District	12,790,000	61.5%	13,030,000	61.4%
	<hr/>		<hr/>	
Total overlapping bond indebtedness	\$ 14,444,208		\$ 13,908,964	
	<hr/>		<hr/>	
Total direct and overlapping debt	\$ 17,822,188		\$ 17,571,874	
	<hr/> <hr/>		<hr/> <hr/>	

Sources:

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

<sup>1</sup> Based on the percentage of Park County's population within the City Limits

<sup>2</sup> 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.

**CITY OF LIVINGSTON  
LEGAL DEBT MARGIN INFORMATION  
Past Ten Fiscal Years**

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b><u>Market Value</u></b>	\$ 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	\$ 952,168,749
<b><u>Limit %</u></b>	<b>2.50%</b>	<b>2.50%</b>	<b>2.50%</b>	<b>2.50%</b>	<b>2.50%</b>	<b>2.50%</b>	<b>2.50%</b>	<b>2.50%</b>	<b>2.50%</b>	<b>2.50%</b>
Debt Limit	\$ 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	\$ 23,804,219
Total net debt applicable to limit	(273,817)	(224,043)	(203,359)	(169,966)	(140,401)	(117,311)	(839,563)	(772,081)	(634,094)	(626,100)
Legal debt margin	<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>	<u>\$ 23,178,119</u>
Total net debt applicable to the limit as a percentage of debt limit	3%	2%	2%	2%	1%	1%	5%	4%	3%	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	
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
2020	1,646,240	854,097	792,143	85,295	1,821	9.09	2,519,581	1,112,967	1,406,614	438,067	265,154	2.00

Fiscal Year Ended June 30,	Special Assessment Bonds				Tax Increment District Revenue Bonds			
	Special Assessment Collections	Debt Service		Coverage	Tax Increment Collections	Debt Service		Coverage
		Principal	Interest			Principal	Interest	
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
2020	34,563	26,000	6,356	1.07	506,827	152,072	81,291	2.17

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**

<b>Fiscal Year Ended June 30,</b>	<b>City Population<sup>1</sup></b>	<b>County Population<sup>1</sup></b>	<b>County Personal Income<sup>2</sup></b>	<b>County Per Capita Personal Income</b>	<b>State Median Age<sup>1</sup></b>	<b>K-12 School Enrollment<sup>3</sup></b>	<b>Unemployment Rate<sup>4</sup></b>
2010	7,094	15,738	\$ 528,522	\$ 33,880	39.9	1,414	7.2%
2011	7,002	15,587	\$ 585,353	\$ 37,735	40.0	1,371	7.0%
2012	6,985	15,509	\$ 605,475	\$ 38,827	40.1	1,402	6.0%
2013	7,035	15,587	\$ 605,397	\$ 38,553	39.9	1,473	5.4%
2014	7,085	15,658	\$ 646,682	\$ 40,608	39.8	1,491	4.6%
2015	7,214	15,877	\$ 691,570	\$ 43,207	39.7	1,493	4.1%
2016	7,302	15,981	\$ 725,924	\$ 45,019	39.8	1,478	4.1%
2017	7,401	16,114	\$ 756,968	\$ 46,050	39.7	1,442	3.9%
2018	7,529	16,353	\$ 805,235	\$ 48,114	39.8	1,447	4.0%
2019	7,784	16,736	\$ 789,340 *	\$ 47,164 *	39.8	1,390	3.7%
2020	7,801	16,606	\$ 856,580 *	\$ 51,583 *	39.8	1,369	6.5%

Data Sources:

<sup>1</sup> US Census Bureau, Population Division

<sup>2</sup> US Bureau of Economic Analysis, in \$1,000

<sup>3</sup> Livingston School District Administrative Offices- Enrollment as of October 31st, 2019

<sup>4</sup> 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			2011	
Private Employers By Class	Employer Class Size	% of Total Labor Force	Private Employers By Class	Employer Class Size
Livingston Healthcare	7	6%	Livingston Healthcare	7
Chico Hot Springs	6	3%	Chico Hot Springs	6
Church Universal & Triumphant	6	3%	PrintingForLess.com	6
Printingforless.com	6	3%	Albertson's	5
Albertson's	5	1%	Best Western Mammoth Hot Springs	5
Montana's Rib & Chop House	5	1%	Church Universal & Triumphant	5
R-Y Timber	5	1%	Community Health Partners	5
The Murray Hotel	5	1%	Livingston Health & Rehabilitation Center	5
Town & Country Foods	5	1%	Town & Country Foods	5
Community Health Partners	5	1%	Montana's Rib & Chop House	4

Total Labor Force: 8,911 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,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
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	2.20	2.20	2.20	2.20	1.00	1.00	1.00	1.00	1.00	2.00
Finance	0.46	0.46	0.46	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Accounting	2.76	2.76	2.76	2.80	2.00	2.00	2.00	1.60	2.00	1.00
Planner	1.15	1.15	1.15	1.15	2.15	2.15	2.15	2.15	2.15	1.65
City Attorney	1.00	1.00	1.61	1.61	2.00	2.00	2.00	2.00	2.00	2.00
Law Enforcement	14.00	14.00	14.00	14.00	14.00	14.00	13.00	14.00	14.00	15.00
Parking Attendant	0.60	0.60	0.60	0.00	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	8.50	8.50	7.00	7.50
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	0.55	0.05	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Cemetery Department	1.72	1.72	1.72	1.72	0.00	0.00	0.00	0.00	0.00	0.00
Parks Department	3.44	2.98	2.98	1.52	0.00	0.00	0.00	0.00	0.00	0.00
Roaming Crew	0.00	0.00	0.00	0.00	5.74	6.60	6.60	6.36	6.82	6.74
Recreation	2.00	2.00	1.84	1.84	1.00	1.00	1.35	0.00	0.00	0.00
Administrative Services	0.00	0.00	0.00	0.00	3.00	3.00	3.00	3.35	4.43	4.68
Swimming Pool	1.68	1.68	1.68	1.51	1.51	1.51	1.51	1.51	1.51	1.51
Animal Control	0.72	0.72	0.72	0.72	0.72	0.72	0.72	0.80	1.00	1.00
Sub-Total General Fund	<u>44.13</u>	<u>43.17</u>	<u>43.57</u>	<u>41.92</u>	<u>45.97</u>	<u>46.83</u>	<u>45.68</u>	<u>45.12</u>	<u>45.76</u>	<u>46.93</u>
Special Revenue Funds										
Summerfest	0.00	0.46	0.16	0.16	0.00	0.00	0.00	0.00	0.00	0.00
Library	7.90	7.27	7.72	7.85	7.59	7.62	7.22	6.74	8.25	8.88
Dispatch	8.00	8.00	8.00	8.60	8.60	8.60	8.60	9.00	9.00	9.00
Street Maintenance District	3.70	3.70	3.70	4.20	5.58	5.78	5.78	5.90	5.90	5.88
Sub-Total Special Revenue Funds	<u>19.60</u>	<u>19.43</u>	<u>19.58</u>	<u>20.81</u>	<u>21.77</u>	<u>22.00</u>	<u>21.60</u>	<u>21.64</u>	<u>23.15</u>	<u>23.76</u>
Enterprise Funds										
Water Department	8.47	8.47	8.47	8.09	7.47	7.74	7.40	7.12	7.37	6.95
Sewer Department	8.49	8.48	8.48	9.09	7.43	7.71	6.88	7.27	8.25	8.26
Solid Waste Department	9.16	9.16	9.16	10.27	7.03	7.93	7.60	7.61	7.39	7.65
Ambulance Service	6.00	6.00	6.00	6.00	6.00	6.00	6.50	6.50	7.00	7.50
Sub-Total Enterprise Funds	<u>32.12</u>	<u>32.11</u>	<u>32.11</u>	<u>33.45</u>	<u>27.93</u>	<u>29.38</u>	<u>28.38</u>	<u>28.50</u>	<u>30.01</u>	<u>30.36</u>
Total all funds	<u>95.85</u>	<u>94.71</u>	<u>95.26</u>	<u>96.18</u>	<u>95.67</u>	<u>98.21</u>	<u>95.66</u>	<u>95.26</u>	<u>98.92</u>	<u>101.05</u>

Source: City Manager's Recommended Budget

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

	Fiscal Year Ended June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Fund										
Finance/Accounting										
Claim Checks Processed	2807	2936	2889	2864	2892	3047	2893	2762	2611	2346
W-2's Processed <sup>1</sup>	144	153	147	152	158	151	161	147	152	154
Payroll Checks Processed	3111	3116	3220	3271	3404	3293	3199	3238	3134	3335
1099's Processed <sup>1</sup>	25	18	23	18	27	22	30	24	14	17
Business Licenses Processed	605	673	672	667	658	720	762	762	620	647
City Attorney										
Resolutions	92	83	85	89	85	105	85	66	91	91
Ordinances	6	11	7	3	7	8	4	3	12	12
Police Department *										
Number of Officers	14	14	14	13	14	14	12	14	15	15
Calls for Service	6592	6335	6458	6220	7684	7849	8355	9544	9200	9444
Incident Reports	864	912	992	1116	858	1033	983	1053	1203	1068
Traffic Citations	489	555	580	285	273	354	401	556	517	538
Vehicle Accident Reports	162	168	152	163	160	157	176	226	216	234
Adult Arrests	308	404	452	210	255	297	293	365	435	373
Juvenile Arrests	65	82	112	66	45	56	58	50	74	91
DUI Arrests	64	65	56	14	31	40	33	75	61	65
Domestic Disturbance Reports	75	66	65	75	64	96	78	72	47	48
Domestic Violence Arrests	24	35	46	24	32	69	22	32	35	42
Sex Offense Investigations	3	15	22	19	15	23	29	22	33	38
Drug Charges	44	92	182	39	39	31	74	41	40	39
Theft Reports	243	225	259	238	124	290	320	290	248	200
Burglary Reports	26	17	15	26	5	23	28	32	19	15
Vandalism Reports	201	155	158	133	71	149	140	185	114	83

Source: City Manager's Recommended Budget

Note: <sup>1</sup> 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,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Public Safety										
Police										
Number of Stations	1	1	1	1	1	1	1	1	1	1
Police Vehicles	8	8	8	8	8	8	8	8	8	9
Fire										
Number of Stations	1	1	1	1	1	1	1	1	1	1
Apparatus	2	2	2	2	2	2	5	5	8	8
Ambulance	4	4	4	4	4	4	4	4	4	4
Public Works										
Solid Waste										
Collections Trucks	5	5	5	5	5	5	6	6	6	6
Streets										
Sweeper Trucks	1	1	1	1	1	1	1	2	2	2
Streets (Miles)	41.070	41.070	41.070	39.525	40.598	46.752	46.752	43.866	44.036	44.036
Alleys (Miles)	18.942	18.942	18.942	18.942	18.942	18.942	18.942	18.942	18.249	18.249
Secondary Urban Streets (Miles)	11.145	11.145	11.145	12.676	12.676	12.676	12.676	15.610	15.663	15.663
Culture and Recreation										
Parks										
Number of Parks	7	8	8	13	13	13	13	13	16	16
Acres of Parks	59.067	100.571	100.571	150	150	150	150	150	135.54	135.54
Number of Swimming/Splash Parks	1	1	1	1	2	2	2	2	2	2

Source: City Manager's Recommended Budget

**PART IV**

**SINGLE AUDIT SECTION**



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, 2020, 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 15, 2020.

**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 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 questioned costs (2020-C-1, 2020-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  
December 15, 2020



INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH  
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER  
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

City Commissioners and City Manager  
City of Livingston, Montana

**Report on Compliance for Each Major Federal Program**

We have audited the City of Livingston, Montana's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended June 30, 2020. City of Livingston, Montana's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

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

***Auditors' Responsibility***

Our responsibility is to express an opinion on compliance for each of the City of Livingston, Montana's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of Livingston, Montana's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City of Livingston, Montana's compliance.

***Opinion on Each Major Federal Program***

In our opinion, the City of Livingston, Montana, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.



## **Report on Internal Control over Compliance**

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

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

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

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

***Amatics CPA Group***  
Bozeman, Montana  
December 15, 2020

**CITY OF LIVINGSTON, MONTANA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**Year Ended June 30, 2020**

	<u>CFDA #</u>	<u>EXPENDITURES</u>
<b>UNITED STATES DEPARTMENT OF AGRICULTURE</b>		
<u>Direct programs</u>		
Water and Waste Water Disposal System for Rural Communities	10.760	\$ 205,168
 <b>UNITED STATES DEPARTMENT OF THE TREASURY</b>		
<u>Passed through from State of Montana, Department of Administration</u>		
Coronavirus Relief Fund	21.019	570,611
 <b>UNITED STATES DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>		
<u>Direct programs</u>		
Provider Relief Fund	93.498	<u>58,111</u>
 <b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>		 <u><u>\$ 833,890</u></u>

**CITY OF LIVINGSTON, MONTANA**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**Year Ended June 30, 2020**

**1. BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards includes the federal award activity of the City of Livingston, Montana under programs of the federal government for the year ended June 30, 2020. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule only presents a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the City.

**2. SUMMARY OF ACCOUNTING PRINCIPLES**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

**3. INDIRECT COST RATE**

The City has not elected to use the de minimis ten percent indirect cost rate.

**CITY OF LIVINGSTON, MONTANA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**Year Ended June 30, 2020**

**SUMMARY OF AUDITORS' RESULTS:**

Financial Statements

Type of auditors' report issued	Unmodified
Internal control over financial reporting:	
Material weaknesses identified?	No
Significant deficiencies identified?	No
Non-compliance material to financial statements noted?	Yes
Findings 2020-C-1, 2020-C-2	

Federal Awards

Type of auditors' report issued on compliance for major programs	Unmodified
Internal control over major programs:	
Material weaknesses identified?	No
Significant deficiencies identified?	No
Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a)	No
Identification of major programs	CFDA # 21.019 Coronavirus Relief Fund
Dollar threshold used to distinguish between Type A and Type B programs	\$ 750,000
Auditee qualified as low-risk auditee?	No

**CITY OF LIVINGSTON, MONTANA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**JUNE 30, 2020**

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, 2020.

**2020-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: The City's Sidewalks special revenue fund was budgeted for deficit spending of \$69,530 (appropriations in excess of the projected beginning balance plus the estimated revenue of the fund for the fiscal year).

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

Cause: The City has incurred costs for infrastructure projects which will be collected from property owners through future assessments.

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 when possible.

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.

**2020-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 because those funds are being accumulated for a specific future railroad crossing project and will be spent in the next upcoming fiscal years.

**CITY OF LIVINGSTON**  
**STATUS OF PRIOR YEAR FINDINGS**  
**JUNE 30, 2020**

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.

Status: See current year finding 2020-C-1.

**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.

Status: See current year finding 2020-C-2.