



CITY OF LIVINGSTON, MONTANA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Prepared by the City of Livingston Finance Department

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ANNUAL COMPREHENSIVE FINANCIAL REPORT
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PART I

INTRODUCTORY SECTION

City Manager
Grant Gager

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

citymanager@livingstonmontana.org
www.livingstonmontana.org



Chairperson
Melissa Nootz

Vice Chairman
Karrie Kahle

Commissioners
Mel Friedman
Quentin Schwartz
Torrey Lyons

December 19, 2023

To the Citizens of the
City of Livingston, Montana

The Annual Comprehensive Financial Report of the City of Livingston, Montana, for the fiscal year ended June 30, 2023 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 8,040 as of the 2020 census, it is the 12th largest city in the state according to the 2020 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

Annual Comprehensive Financial Report (ACFR) 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 population growth over the last 10 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 2023 the city issued 101 building permits, 49 of which were for residential units. Due to the increased demand for residential construction, the City is experiencing a shortage of available lots.

As of July 2023, Montana's unemployment rate was 2.5% and Park County had a rate of 2.4%, compared to the national rate of 3.6%. Average salaries for the state were \$55,910, 9.4% lower than the national average of \$59,428, and only \$58,510 for Park County. In Livingston, wages continue to rise to be more competitive with neighboring communities and the high cost of living in the area. Even with a median wage higher than the state average, affordable housing continues to be a significant barrier for many looking to stay or move to the area. This has created a need for more low income housing as a high demand for rental units, both long and short-term, has resulted in an increase in the cost of housing. Developers in the area are looking for opportunities for more high density housing options including an HRDC development of small manufactured homes.

LONG-TERM FINANCIAL PLANNING AND MAJOR INITIATIVES

In June 2021, the City of Livingston adopted its Growth Policy. The purpose of a growth policy is to guide decisions about development and infrastructure investments within the City and should be reviewed every 5 years. The growth policy was created and finally adopted after 18 months of input from the community as well as City staff and key stakeholders. Key elements identified in the growth policy include a desire from the public for infill within the existing boundaries of the City, affordable housing, alternative transportation, and public facilities. While funding for specific projects continues to develop, this document will lead the City in those decisions.

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-4.

AWARDS

The Government Finance Officers' Association (GFOA) awarded the Certificate of Achievement for Excellence in Financial Reporting to the City of Livingston for its Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2022. This was the eleventh 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 ACFR 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 ACFR.

ACKNOWLEDGEMENTS

The preparation of this Annual Comprehensive 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,

A handwritten signature in black ink, appearing to read "Grant Gager". The signature is fluid and cursive, with the first name "Grant" and last name "Gager" clearly distinguishable.

Grant Gager
City Manager

A handwritten signature in black ink, appearing to read "Paige M. Fetterhoff, CPA". The signature is written in a cursive style, with the full name and title included.

Paige Fetterhoff
Finance Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

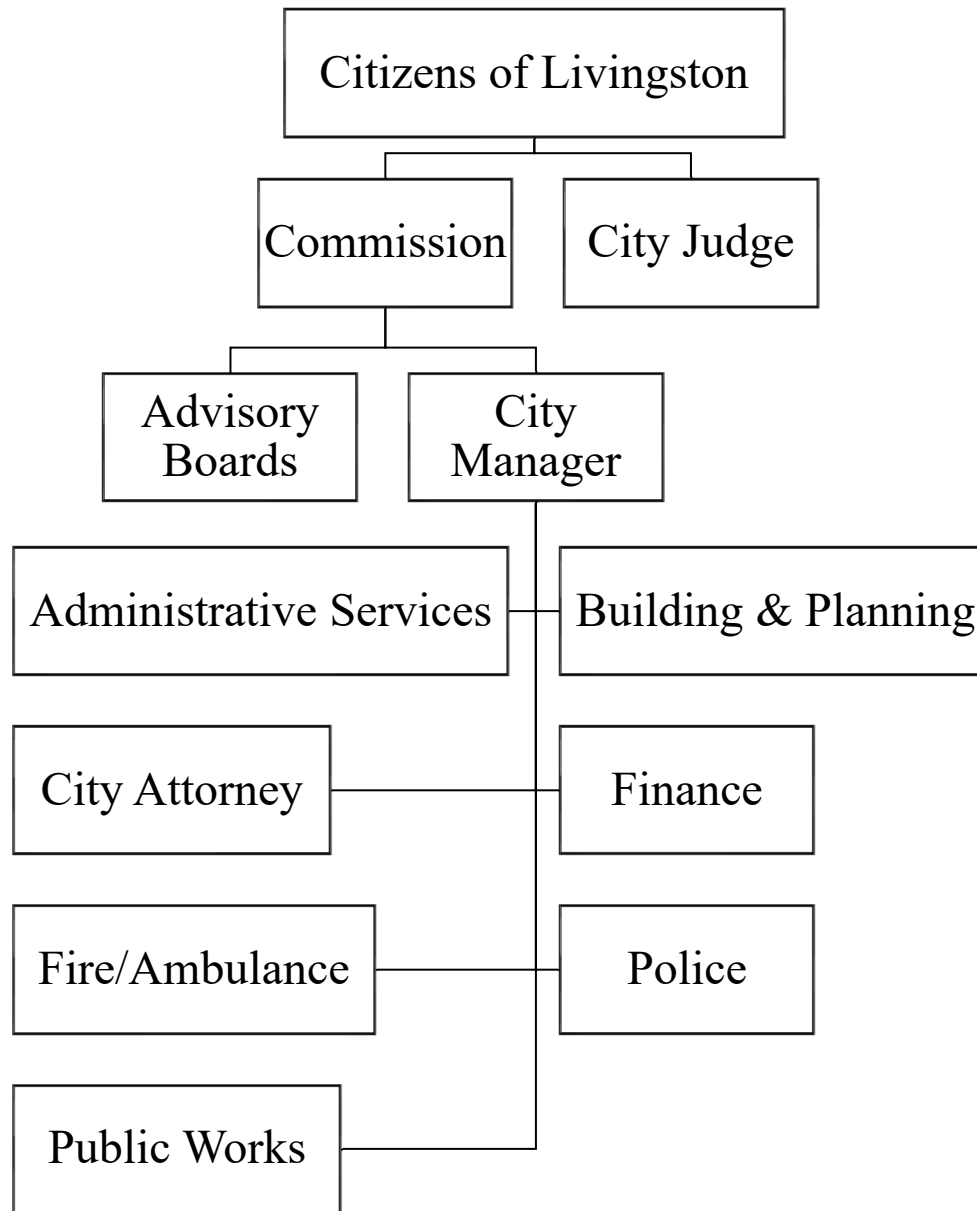
**City of Livingston
Montana**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2022

Christopher P. Morrell

Executive Director/CEO



CITY OF LIVINGSTON, MONTANA
CITY ELECTED OFFICIALS AND OFFICERS

ELECTED OFFICIALS

Legislative

Melissa Nootz
Karrie Kahle
Mel Friedman
Quentin Schwarz
Torrey Lyons

Commission Chair
Commission Vice Chair
Commissioner
Commissioner
Commissioner

Judicial

Holly Happe

City Judge

OFFICERS

Executive

Grant Gager

City Manager

Department of Law

Jon Hesse

City Attorney

Department of Finance

Paige Fetterhoff

Finance Director

Department of Public Safety

Dale Johnson
Josh Chabalowski

Police Chief
Fire Chief

Department of Public Works

Shannon Holmes

Public Works Director

Department of Public Welfare

Jim Woodhull
Jennifer Severson

Building Director
Planning Director

Department of Administrative Services

Lisa Lowy

Administrative Services Director

PART II

FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

City Commissioners and City Manager
City of Livingston, Montana

Report on the Audit of the Financial Statements

Opinions

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, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Livingston, Montana and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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



Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City of Livingston, Montana's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Livingston, Montana's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that 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 is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with 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.

Supplementary 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 accompanying combining and individual nonmajor fund financial statements, budgetary comparison information for other major funds, and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements.

The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, budgetary comparison information for other major 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.

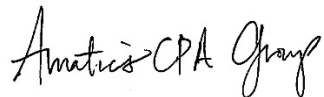
Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 19, 2023, on our consideration of the City of Livingston, Montana's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Livingston, Montana'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 of Livingston, Montana's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Amelie CPA Gray". The signature is written in a cursive, flowing style.

Bozeman, Montana
December 19, 2023

A. MANAGEMENT'S DISCUSSION AND ANALYSIS

CITY OF LIVINGSTON, MONTANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2023

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, 2023.

Financial Highlights

The City's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at June 30 by \$52,218,677 (net position). Of this amount, \$10,966,791 is unrestricted net position, an increase of \$3,885,711 from the previous year.

- Total net position increased by \$6,195,510 from the prior fiscal year. This is a result of an increase of \$2,055,001 in the City's net investment in capital assets, \$254,798 in restricted net position, and \$3,885,711 in unrestricted net position from fiscal year 2022.
- As of June 30, the City's governmental funds reported combined ending fund balances of \$10,809,685, an increase of \$2,360,254 from the prior year. Of this amount, \$8,416,872 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 serves 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

CITY OF LIVINGSTON, MONTANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2023

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).

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 activities are reported here.

The government-wide statements can be found beginning on page II-12 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 two categories: governmental funds and proprietary 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-14 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-19 of this report.

CITY OF LIVINGSTON, MONTANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2023

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.

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 \$52,218,677 at June 30, 2023.

The largest portion of the City's net position (\$38,285,347 or 73.3%) 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	
	2022	2023	2022	2023	2022	2023
Current and other assets	\$ 11,669,742	\$ 13,191,068	\$ 8,117,164	\$ 9,290,301	\$ 19,786,906	\$ 22,481,369
Capital assets	18,464,816	20,325,309	35,223,468	35,447,126	53,688,284	55,772,435
Total assets	<u>30,134,558</u>	<u>33,516,377</u>	<u>43,340,632</u>	<u>44,737,427</u>	<u>73,475,190</u>	<u>78,253,804</u>
Deferred outflows of resources	<u>1,113,235</u>	<u>1,097,801</u>	<u>560,054</u>	<u>601,549</u>	<u>1,673,289</u>	<u>1,699,350</u>
Long-term liabilities outstanding	6,337,291	8,115,292	15,658,938	15,880,893	21,996,229	23,996,185
Other liabilities	<u>3,281,831</u>	<u>1,689,927</u>	<u>1,220,266</u>	<u>1,055,979</u>	<u>4,502,097</u>	<u>2,745,906</u>
Total liabilities	<u>9,619,122</u>	<u>9,805,219</u>	<u>16,879,204</u>	<u>16,936,872</u>	<u>26,498,326</u>	<u>26,742,091</u>
Deferred inflows of resources	<u>1,741,700</u>	<u>660,614</u>	<u>885,286</u>	<u>331,772</u>	<u>2,626,986</u>	<u>992,386</u>
Net position:						
Net investment in capital assets	15,462,713	16,834,806	20,767,633	21,450,541	36,230,346	38,285,347
Restricted	1,864,771	2,119,569	846,970	846,970	2,711,741	2,966,539
Unrestricted	<u>2,559,487</u>	<u>5,193,970</u>	<u>4,521,593</u>	<u>5,772,821</u>	<u>7,081,080</u>	<u>10,966,791</u>
Total net position	<u><u>\$ 19,886,971</u></u>	<u><u>\$ 24,148,345</u></u>	<u><u>\$ 26,136,196</u></u>	<u><u>\$ 28,070,332</u></u>	<u><u>\$ 46,023,167</u></u>	<u><u>\$ 52,218,677</u></u>

CITY OF LIVINGSTON, MONTANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2023

An additional portion of the City's net position (\$2,966,539 or 5.7%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (\$10,966,791 or 21.0%) may be used to meet the City's ongoing obligations to citizens and creditors.

At June 30, 2023, 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 \$6,195,510.

City of Livingston
Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2022	2023	2022	2023	2022	2023
Program Revenues						
Charges for Services	\$ 3,042,698	\$ 4,041,059	\$ 9,992,364	\$ 9,921,664	\$ 13,035,062	\$ 13,962,723
Operating Grants and Contributions	1,327,015	1,540,684	225,029	587,901	1,552,044	2,128,585
Capital Grants and Contributions	76,146	2,259,750	-	15,000	76,146	2,274,750
General Revenues						
Property Taxes	4,166,565	4,572,320	34,253	37,122	4,200,818	4,609,442
Grants and Contributions	1,234,673	3,230,205	-	-	1,234,673	3,230,205
Other General Revenues	153,890	272,385	6,573	160,279	160,463	432,664
Total Revenues	<u>10,000,987</u>	<u>15,916,403</u>	<u>10,258,219</u>	<u>10,721,966</u>	<u>20,259,206</u>	<u>26,638,369</u>
Program Expenses						
General Government	963,491	2,376,795			963,491	2,376,795
Public Safety	4,267,722	4,662,794			4,267,722	4,662,794
Public Works	1,802,731	2,459,626			1,802,731	2,459,626
Public Health	152,965	145,039			152,965	145,039
Culture and Recreation	1,382,849	1,517,285			1,382,849	1,517,285
Interest and Fiscal Fees	97,832	93,490			97,832	93,490
Water			1,598,260	1,552,837	1,598,260	1,552,837
Sewer			2,976,356	3,254,278	2,976,356	3,254,278
Solid Waste			2,376,470	2,354,421	2,376,470	2,354,421
Ambulance			1,880,997	2,026,294	1,880,997	2,026,294
Total Expenses	<u>8,667,590</u>	<u>11,255,029</u>	<u>8,832,083</u>	<u>9,187,830</u>	<u>17,499,673</u>	<u>20,442,859</u>
Excess before special items and transfers	1,333,397	4,661,374	1,426,136	1,534,136	2,759,533	6,195,510
Transfers	-	(400,000)	-	400,000	-	-
Increase in net position	<u>1,333,397</u>	<u>4,261,374</u>	<u>1,426,136</u>	<u>1,934,136</u>	<u>2,759,533</u>	<u>6,195,510</u>
Net position-beginning	<u>18,553,574</u>	<u>19,886,971</u>	<u>24,710,060</u>	<u>26,136,196</u>	<u>43,263,634</u>	<u>46,023,167</u>
Net position-ending	<u><u>\$ 19,886,971</u></u>	<u><u>\$ 24,148,345</u></u>	<u><u>\$ 26,136,196</u></u>	<u><u>\$ 28,070,332</u></u>	<u><u>\$ 46,023,167</u></u>	<u><u>\$ 52,218,677</u></u>

CITY OF LIVINGSTON, MONTANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2023

Governmental Activities. Governmental activities in fiscal year 2023 increased the City's net position by \$4,261,374. This increase is represented by normal variation in revenues and expenditures as well as the recognition of special assessment revenue to be collected in future years.

Business-Type Activities. Business-type activities increased the City's net position by \$1,934,136. 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 \$10,809,685, an increase of \$2,360,254 in comparison with the prior year. Of this amount, \$1,861,448 or 17.2% is restricted to indicate that it is not available for new spending, \$8,416,872 is available for spending at the government's discretion.

The General fund is the primary operating fund of the City. At June 30, 2023, total fund balance was \$3,809,878, of which \$3,077,456 was unassigned and \$273,244 was nonspendable. The unassigned fund balance represents 53% of the general fund operating expenditures and transfers out. The fund balance increased \$482,382 during the current fiscal year as a result of additional tax collections, intergovernmental revenue and transfers in from other funds. While the General fund accounts for the majority of the increased fund balance within governmental funds, the City recognized an increase in fund balance in several special revenue funds including the Tax Increment District – Downtown, Impact Fees, Street Maintenance, and Gas Tax. The City intends to use these funds in future years for various capital projects.

The City recognized revenue of \$1,918,675 from Coronavirus State and Local Fiscal Recovery Funds during the year. The majority of this revenue was distributed back to the community to local non-profits. The total amount provided to local non-profits was \$1,238,740. These funds were awarded by the City Commission following recommendations from a committee created to determine the best use for the community as a whole.

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 \$5,809,593, while appropriations were \$5,908,002, resulting in an unexpended balance of \$98,409. Unexpended funds are the result of certain capital purchases budgeted for but not expended during the year. These capital expenditures are carried forward to the next budget year if the purchase was not made. In most cases, the City was able to complete capital purchases for less than the budgeted amount.

CITY OF LIVINGSTON, MONTANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2023

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 \$55,772,435. 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-34 of this report. Capital asset additions during the current fiscal year include the following:

Governmental

- City Hall HVAC - \$53,893
- Green Acres Gazebo - \$3,097
- Police Department Remodel - \$20,022
- Library LED Lights - \$7,601
- Downtown Alley - \$16,884
- Regional Sewer Project - \$2,303,700
- Park Improvements - \$40,833
- Light Infrastructure - \$77,641
- Machinery & Equipment - \$365,430

Proprietary

- Regional Sewer Project - \$37,919
- Downtown Alley - \$48,679
- View Vista Water & Sewer Project - \$30,022
- Public Works Network Migration - \$20,217
- Public Works Machinery & Equipment \$235,201
- Public Works Infrastructure - \$1,478,657
- Ambulance Machinery & Equipment - \$374,530

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

City of Livingston

Capital Assets

(net of accumulated depreciation)

	Governmental Activities	Business-type Activities	Total
Non-depreciable assets:			
Land	\$ 675,226	\$ 52,980	\$ 728,206
Construction in progress	2,994,334	203,553	\$ 3,197,887
	<u>3,669,560</u>	<u>256,533</u>	<u>3,926,093</u>
Depreciable assets:			
Buildings	3,273,422	2,242,063	5,515,485
Improvements other than buildings	1,229,016	63,271	1,292,287
Machinery and equipment	2,197,272	1,485,193	3,682,465
Infrastructure	9,934,880	31,400,066	41,334,946
Intangible works of art	21,159	-	21,159
	<u>16,655,749</u>	<u>35,190,593</u>	<u>51,846,342</u>
Total capital assets	<u>\$ 20,325,309</u>	<u>\$ 35,447,126</u>	<u>\$ 55,772,435</u>

CITY OF LIVINGSTON, MONTANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2023

Long-Term Debt. As of June 30, the City had total debt outstanding of \$17,487,088. Of this amount \$544,853 comprises debt backed by the full faith and credit of the government; \$2,589,723 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; \$13,996,585 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 \$356,926 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, 2023

	Governmental Activities	Business-type Activities	Total
General obligation bonds	\$ 544,853	\$ -	\$ 544,853
Notes payable	355,927	-	355,927
Special assessment debt with government commitment	913,932	-	913,932
Tax increment	1,675,791	-	1,675,791
Revenue bonds	-	13,996,585	13,996,585
Total	<u>\$ 3,490,503</u>	<u>\$ 13,996,585</u>	<u>\$ 17,487,088</u>

CITY OF LIVINGSTON, MONTANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2023

Economic Factors and Next Year's Budgets and Rates

The City changed various rates for fiscal year 2024 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>
Governmental:	
Street Maintenance District	0%
Light Maintenance District	-33%
Proprietary:	
Water	3-10%
Wastewater	5%
Solid Waste	0%

Requests for Information

This financial report is designed to provide a general overview of the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City of Livingston, Finance Department, 220 East Park Street, Livingston, MT 59047.

B. BASIC FINANCIAL STATEMENTS

GOVERNMENT - WIDE FINANCIAL STATEMENTS

CITY OF LIVINGSTON, MONTANA
STATEMENT OF NET POSITION
June 30, 2023

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and investments	\$ 8,139,232	\$ 6,438,995	\$ 14,578,227
Restricted cash and investments	190,884	1,233,610	1,424,494
Receivables, net	4,860,952	1,617,696	6,478,648
Capital assets			
Nondepreciable land	675,226	52,980	728,206
Construction in progress	2,994,334	203,553	3,197,887
Other capital assets, net of depreciation	16,655,749	35,190,593	51,846,342
Total capital assets	<u>20,325,309</u>	<u>35,447,126</u>	<u>55,772,435</u>
Total assets	<u>33,516,377</u>	<u>44,737,427</u>	<u>78,253,804</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows - pensions	1,043,790	573,854	1,617,644
Deferred outflows - other post employment benefits	54,011	27,695	81,706
Total deferred outflows of resources	<u>1,097,801</u>	<u>601,549</u>	<u>1,699,350</u>
LIABILITIES			
Accounts payable and accrued expenses	1,007,127	441,226	1,448,353
Payroll payable	227,894	111,178	339,072
Compensated absences payable	92,000	34,000	126,000
Long-term debt due in less than one year	362,906	469,575	832,481
Noncurrent liabilities due in more than one year			
Compensated absences	346,352	181,318	527,670
Other post-employment health benefits	458,611	235,175	693,786
Net pension liability	4,182,732	1,937,390	6,120,122
Long-term debt due in more than one year	3,127,597	13,527,010	16,654,607
Total liabilities	<u>9,805,219</u>	<u>16,936,872</u>	<u>26,742,091</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows - pensions	221,948	106,826	328,774
Deferred inflows - other post-employment health benefits	438,666	224,946	663,612
Total deferred inflows of resources	<u>660,614</u>	<u>331,772</u>	<u>992,386</u>
NET POSITION			
Net investment in capital assets	16,834,806	21,450,541	38,285,347
Restricted - nonexpendable	258,121	-	258,121
Restricted for public safety	168,551	-	168,551
Restricted for public works	1,016,576	-	1,016,576
Restricted for culture and recreation	245,751	-	245,751
Restricted for debt service	430,570	846,970	1,277,540
Unrestricted	5,193,970	5,772,821	10,966,791
Total net position	<u>\$ 24,148,345</u>	<u>\$ 28,070,332</u>	<u>\$ 52,218,677</u>

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

CITY OF LIVINGSTON, MONTANA
STATEMENT OF ACTIVITIES
Year Ended June 30, 2023

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-type Activities	Total
Primary Government:							
Governmental activities:							
General government	\$ 2,376,795	\$ 396,962	\$ 599,905	\$ 64,440	\$ (1,315,488)	\$ -	\$ (1,315,488)
Public safety	4,662,794	762,876	513	-	(3,899,405)	-	(3,899,405)
Public works	2,459,626	2,694,589	344,186	2,195,310	2,774,459	-	2,774,459
Public health	145,039	21,725	-	-	(123,314)	-	(123,314)
Culture and recreation	1,517,285	164,907	596,080	-	(756,298)	-	(756,298)
Interest, fiscal fees, and debt costs	93,490	-	-	-	(93,490)	-	(93,490)
Total governmental activities	<u>11,255,029</u>	<u>4,041,059</u>	<u>1,540,684</u>	<u>2,259,750</u>	<u>(3,413,536)</u>		<u>(3,413,536)</u>
Business-type activities:							
Water	1,552,837	2,214,237	11,712	15,000	-	688,112	688,112
Sewer	3,254,278	2,869,152	328,357	-	-	(56,769)	(56,769)
Solid Waste	2,354,421	2,669,200	17,541	-	-	332,320	332,320
Ambulance	2,026,294	2,169,075	230,291	-	-	373,072	373,072
Total business-type activities	<u>9,187,830</u>	<u>9,921,664</u>	<u>587,901</u>	<u>15,000</u>	<u>-</u>	<u>1,336,735</u>	<u>1,336,735</u>
Total primary government	<u>\$ 20,442,859</u>	<u>\$ 13,962,723</u>	<u>\$ 2,128,585</u>	<u>\$ 2,274,750</u>	<u>(3,413,536)</u>	<u>1,336,735</u>	<u>(2,076,801)</u>
General revenues:							
Property taxes, levied for general purposes					4,524,415	37,122	4,561,537
Property taxes, levied for debt service					47,905	-	47,905
Grants and contributions not restricted to specific programs					3,230,205	-	3,230,205
Unrestricted investment earnings					51,902	38,153	90,055
Miscellaneous					220,483	122,126	342,609
Total general revenues					<u>8,074,910</u>	<u>197,401</u>	<u>8,272,311</u>
Transfers					<u>(400,000)</u>	<u>400,000</u>	<u>-</u>
					<u>7,674,910</u>	<u>597,401</u>	<u>8,272,311</u>
Change in net position					4,261,374	1,934,136	6,195,510
Net position-beginning					<u>19,886,971</u>	<u>26,136,196</u>	<u>46,023,167</u>
Net position-ending					<u>\$ 24,148,345</u>	<u>\$ 28,070,332</u>	<u>\$ 52,218,677</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.

American Rescue Plan: This fund was established to account for funds received through the Coronavirus State and Local Fiscal Recovery Funds established by the American Rescue Plan for the purpose of providing a substantial infusion of resources to help turn the tide on the COVID-19 pandemic, address its economic fallout, and lay the foundation for a strong and equitable recovery.

Regional Sewer Fund: This fund was created to account for sewer infrastructure improvements in the Green Acres and Montague subdivisions. Upon completion of this project in the winter of 2023, this fund will be closed.

CITY OF LIVINGSTON, MONTANA
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2023

	<u>General</u>	<u>American Rescue Plan</u>	<u>Regional Sewer</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS					
Current assets					
Cash and cash equivalents	\$ 2,961,869	\$ 104,887	\$ -	\$ 5,072,476	\$ 8,139,232
Receivables:					
Property taxes	61,134	-	-	36,725	97,859
Customers, net	123,479	-	-	3,673	127,152
Other	-	-	-	737,012	737,012
Special assessments	-	-	-	1,008,536	1,008,536
Other governments	361,443	-	1,738,765	790,185	2,890,393
Due from other City funds	273,244	-	-	-	273,244
Restricted cash and cash equivalents	28,709	-	-	162,175	190,884
Total assets	<u><u>\$ 3,809,878</u></u>	<u><u>\$ 104,887</u></u>	<u><u>\$ 1,738,765</u></u>	<u><u>\$ 7,810,782</u></u>	<u><u>\$ 13,464,312</u></u>

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

CITY OF LIVINGSTON, MONTANA
BALANCE SHEET (CONTINUED)
GOVERNMENTAL FUNDS
June 30, 2023

	<u>General</u>	<u>American Rescue Plan</u>	<u>Regional Sewer</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 153,707	\$ -	\$ 774,007	\$ 45,436	\$ 973,150
Court bonds payable	33,977	-	-	-	33,977
Payroll payable	170,393	-	-	57,501	227,894
Due to other City funds	-	-	102,029	171,215	273,244
	<u>-</u>	<u>-</u>	<u>102,029</u>	<u>171,215</u>	<u>273,244</u>
Total liabilities	<u>358,077</u>	<u>-</u>	<u>876,036</u>	<u>274,152</u>	<u>1,508,265</u>
Deferred inflows of resources:					
Deferred inflows - tax revenues	61,134	-	-	36,725	97,859
Deferred inflows - special assessments	-	-	-	1,008,536	1,008,536
Deferred inflows - court fines	39,967	-	-	-	39,967
	<u>39,967</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>39,967</u>
Total deferred inflows of resources	<u>101,101</u>	<u>-</u>	<u>-</u>	<u>1,045,261</u>	<u>1,146,362</u>
Fund balances:					
Nonspendable	273,244	-	-	258,121	531,365
Restricted	-	-	-	1,861,448	1,861,448
Committed	-	104,887	862,729	4,371,800	5,339,416
Unassigned	3,077,456	-	-	-	3,077,456
	<u>3,077,456</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,077,456</u>
Total fund balances	<u>3,350,700</u>	<u>104,887</u>	<u>862,729</u>	<u>6,491,369</u>	<u>10,809,685</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 3,809,878</u>	<u>\$ 104,887</u>	<u>\$ 1,738,765</u>	<u>\$ 7,810,782</u>	<u>\$ 13,464,312</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, 2023

Fund balances - total governmental funds	\$	10,809,685
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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	\$	29,844,343	
Less: accumulated depreciation		<u>(9,519,034)</u>	
			20,325,309

Advances and deferred inflows in the governmental funds are reported on the full accrual basis in the entity-wide statements.		1,146,362
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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.		1,097,801
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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.		(660,614)
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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		(3,442,858)	
Unamortized bond issuance premium		(47,645)	
Net pension liability		(4,182,732)	
Other post-employment health benefits		(458,611)	
Compensated absences		<u>(438,352)</u>	
			<u>(8,570,198)</u>

Net position of governmental activities	\$	<u><u>24,148,345</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, 2023

	<u>General</u>	<u>American Rescue Plan</u>	<u>Regional Sewer</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES					
Taxes	\$ 3,135,499	\$ -	\$ -	\$ 1,439,129	\$ 4,574,628
Special assessments	-	-	432,839	1,553,219	1,986,058
Licenses and permits	334,839	-	-	10,794	345,633
Intergovernmental	1,780,233	1,918,675	1,997,413	1,334,318	7,030,639
Charges for services	199,591	-	-	661,584	861,175
Fines and forfeitures	90,103	-	-	524	90,627
Interest on investments	12,461	6,493	(509)	33,457	51,902
Other	216,764	-	-	3,719	220,483
Total revenues	<u>5,769,490</u>	<u>1,925,168</u>	<u>2,429,743</u>	<u>5,036,744</u>	<u>15,161,145</u>
EXPENDITURES					
Current					
General government	658,425	1,238,740	-	427,752	2,324,917
Public safety	3,259,040	-	-	919,913	4,178,953
Public works	440,384	-	53,751	1,491,574	1,985,709
Public health	139,336	-	-	-	139,336
Culture and recreation	573,080	-	-	703,674	1,276,754
Capital outlay	320,858	-	2,303,700	265,574	2,890,132
Debt service					
Principal payments	9,508	-	-	352,024	361,532
Interest and fiscal fees	673	-	-	92,817	93,490
Total expenditures	<u>5,401,304</u>	<u>1,238,740</u>	<u>2,357,451</u>	<u>4,253,328</u>	<u>13,250,823</u>
Excess (deficiency) of revenues over expenditures	<u>368,186</u>	<u>686,428</u>	<u>72,292</u>	<u>783,416</u>	<u>1,910,322</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	522,485	-	-	580,603	1,103,088
Transfers out	(408,289)	(582,637)	(59,495)	(452,667)	(1,503,088)
Issuance of debt	-	-	849,932	-	849,932
Total other financing sources (uses)	<u>114,196</u>	<u>(582,637)</u>	<u>790,437</u>	<u>127,936</u>	<u>449,932</u>
Net change in fund balances	482,382	103,791	862,729	911,352	2,360,254
FUND BALANCE - beginning of year	<u>2,868,318</u>	<u>1,096</u>	<u>-</u>	<u>5,580,017</u>	<u>8,449,431</u>
FUND BALANCE - end of year	<u>\$ 3,350,700</u>	<u>\$ 104,887</u>	<u>\$ 862,729</u>	<u>\$ 6,491,369</u>	<u>\$ 10,809,685</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, 2023

Net change in fund balances - total governmental funds		\$ 2,360,254
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	\$ 2,890,132	
Less: current year depreciation	<u>(1,029,639)</u>	
		1,860,493
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	(849,932)	
Principal payments	<u>361,532</u>	
		(488,400)
Governmental funds do not report a liability for other post-employment health benefits and net pension liabilities.		(217,336)
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.		755,258
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>(8,895)</u>
Change in net position of governmental activities		<u><u>\$ 4,261,374</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, 2023

	Business-type Activities Enterprise Funds				
	Water	Sewer	Solid Waste	Ambulance	Total
ASSETS					
Current assets					
Cash and cash equivalents	\$ 2,092,732	\$ 1,677,101	\$ 1,252,842	\$ 1,416,320	\$ 6,438,995
Receivables:					
Taxes	-	-	-	829	829
Customers receivables, net	258,296	320,967	297,305	413,810	1,290,378
Other	-	-	-	-	-
Special assessments	-	-	-	-	-
Other governments	15,000	-	-	311,489	326,489
Prepaid expenses	-	-	-	-	-
Total current assets	2,366,028	1,998,068	1,550,147	2,142,448	8,056,691
Noncurrent assets					
Other assets:					
Restricted cash and investments	-	1,233,610	-	-	1,233,610
Total other assets	-	1,233,610	-	-	1,233,610
Property, plant and equipment					
Nondepreciable:					
Land	52,980	-	-	-	52,980
Construction work in process	39,351	164,202	-	-	203,553
Depreciable:					
Buildings	740,679	4,366,270	1,334,020	165,261	6,606,230
Machinery and equipment	975,520	1,304,901	1,608,683	1,358,177	5,247,281
Source of supply	1,257,880	-	-	-	1,257,880
Transmission and distribution	11,568,189	10,168,094	-	-	21,736,283
General plant	48,164	23,546,292	-	-	23,594,456
Accumulated depreciation and amortization	(6,567,889)	(14,385,348)	(1,536,930)	(761,370)	(23,251,537)
Net property, plant and equipment	8,114,874	25,164,411	1,405,773	762,068	35,447,126
Total noncurrent assets	8,114,874	26,398,021	1,405,773	762,068	36,680,736
Total assets	10,480,902	28,396,089	2,955,920	2,904,516	44,737,427
DEFERRED OUTFLOWS OF RESOURCES					
Deferred outflows related to pensions	72,896	97,279	109,177	294,502	573,854
Deferred outflows - other post-employment health benefits	5,301	6,839	7,159	8,396	27,695
	78,197	104,118	116,336	302,898	601,549

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

CITY OF LIVINGSTON, MONTANA
STATEMENT OF NET POSITION (CONTINUED)
PROPRIETARY FUNDS
June 30, 2023

	Business-type Activities Enterprise Funds				
	Water	Sewer	Solid Waste	Ambulance	Total
LIABILITIES					
Current liabilities					
Accounts payable	\$ 29,688	\$ 30,755	\$ 92,226	\$ 287,188	\$ 439,857
Utility deposit payable	1,369	-	-	-	1,369
Payroll payable	18,256	23,439	22,636	46,847	111,178
Compensated absences	5,800	6,300	13,700	8,200	34,000
Bonds, notes, and loans payable	-	469,575	-	-	469,575
Total current liabilities	55,113	530,069	128,562	342,235	1,055,979
Noncurrent liabilities					
Compensated absences	26,765	32,670	89,744	32,139	181,318
Other post-employment health benefits	45,016	58,076	60,793	71,290	235,175
Net pension liability	377,296	503,497	565,079	491,518	1,937,390
Bonds, notes, and loans payable	-	13,527,010	-	-	13,527,010
Total noncurrent liabilities	449,077	14,121,253	715,616	594,947	15,880,893
Total liabilities	504,190	14,651,322	844,178	937,182	16,936,872
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows - pensions	27,622	36,861	41,369	974	106,826
Deferred inflows - other post-employment health benefits	43,058	55,550	58,149	68,189	224,946
	70,680	92,411	99,518	69,163	331,772
NET POSITION					
Net investment in capital assets	8,114,874	11,167,826	1,405,773	762,068	21,450,541
Restricted for debt service	-	846,970	-	-	846,970
Unrestricted	1,869,355	1,741,678	722,787	1,439,001	5,772,821
Total net position	\$ 9,984,229	\$ 13,756,474	\$ 2,128,560	\$ 2,201,069	\$ 28,070,332

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, 2023

	Business-type Activities Enterprise Funds				
	Water	Sewer	Solid Waste	Ambulance	Totals
OPERATING REVENUES					
Charges for services	\$ 2,214,237	\$ 2,854,152	\$ 2,669,200	\$ 2,169,075	\$ 9,906,664
Total operating revenues	2,214,237	2,854,152	2,669,200	2,169,075	9,906,664
OPERATING EXPENSES					
Personal services	584,836	904,096	949,973	1,494,106	3,933,011
Depreciation and amortization	346,842	1,285,573	162,941	159,046	1,954,402
Supplies, service, materials	621,159	758,498	1,241,507	373,142	2,994,306
Total operating expenses	1,552,837	2,948,167	2,354,421	2,026,294	8,881,719
Operating income	661,400	(94,015)	314,779	142,781	1,024,945
NON-OPERATING REVENUES (EXPENSES)					
Interest income	11,246	13,169	6,092	7,646	38,153
Interest expense	-	(306,111)	-	-	(306,111)
Other revenue	-	15,000	-	-	15,000
Intergovernmental revenue	26,712	328,357	17,541	230,291	602,901
Sale of capital assets	-	-	107,026	15,100	122,126
Tax revenue	-	-	-	37,122	37,122
Total non-operating revenues (expenses)	37,958	50,415	130,659	290,159	509,191
Income before contributions and transfers	699,358	(43,600)	445,438	432,940	1,534,136
Transfers in	-	400,000	-	-	400,000
Change in net position	699,358	356,400	445,438	432,940	1,934,136
NET POSITION, beginning of year	9,284,871	13,400,074	1,683,122	1,768,129	26,136,196
NET POSITION, end of year	<u>\$ 9,984,229</u>	<u>\$ 13,756,474</u>	<u>\$ 2,128,560</u>	<u>\$ 2,201,069</u>	<u>\$ 28,070,332</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, 2023

	Business-type Activities				
	Enterprise Funds				
	Water	Sewer	Solid Waste	Ambulance	Total
Increase (Decrease) in Cash and Cash Equivalents					
Cash Flows from Operations:					
Receipts from customers	\$ 2,147,645	\$ 2,820,454	\$ 2,636,492	\$ 2,111,911	\$ 9,716,502
Payments to suppliers	(922,983)	(787,179)	(1,336,088)	(101,958)	(3,148,208)
Payments to employees	(648,302)	(847,639)	(871,278)	(1,477,083)	(3,844,302)
Net Cash Provided by Operating Activities	<u>576,360</u>	<u>1,185,636</u>	<u>429,126</u>	<u>532,870</u>	<u>2,723,992</u>
Cash Flows from Noncapital Financing Activities:					
Cash receipts from property taxes	-	-	-	39,735	39,735
Receipts from grants	11,712	350,857	17,541	230,291	610,401
Transfers in	-	400,000	-	-	400,000
Net Cash Flows Provided (Used) by Noncapital Financing Activities	<u>11,712</u>	<u>750,857</u>	<u>17,541</u>	<u>270,026</u>	<u>1,050,136</u>
Cash Flows from Capital and Related Financing Activities					
Acquisition of property, plant and equipment	(817,346)	(855,824)	(177,526)	(374,530)	(2,225,226)
Principal paid on bonds, interfund loans, loans, and leases	-	(459,250)	-	-	(459,250)
Receipts from grants	-	15,000	-	-	15,000
Interest paid on bonds, interfund loans, loans and leases	-	(306,111)	-	-	(306,111)
Proceeds from sale of property, plant and equipment	-	-	154,192	15,100	169,292
Net Cash Flows Used by Capital and Related Financing Activities	<u>(817,346)</u>	<u>(1,606,185)</u>	<u>(23,334)</u>	<u>(359,430)</u>	<u>(2,806,295)</u>
Cash Flows from Investing Activities					
Interest received on investments	11,246	13,169	6,092	7,646	38,153
Net Cash Flows Provided (Used) by Investing Activities	<u>11,246</u>	<u>13,169</u>	<u>6,092</u>	<u>7,646</u>	<u>38,153</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(218,028)	343,477	429,425	451,112	1,005,986
Cash and Cash Equivalents at Beginning of Year	<u>2,310,760</u>	<u>2,567,234</u>	<u>823,417</u>	<u>965,208</u>	<u>6,666,619</u>
Cash and Cash Equivalents at End of Year	<u><u>\$ 2,092,732</u></u>	<u><u>\$ 2,910,711</u></u>	<u><u>\$ 1,252,842</u></u>	<u><u>\$ 1,416,320</u></u>	<u><u>\$ 7,672,605</u></u>
Classified As:					
Current Assets	\$ 2,092,732	\$ 1,677,101	\$ 1,252,842	\$ 1,416,320	\$ 6,438,995
Restricted Assets	-	1,233,610	-	-	1,233,610
Totals	<u><u>\$ 2,092,732</u></u>	<u><u>\$ 2,910,711</u></u>	<u><u>\$ 1,252,842</u></u>	<u><u>\$ 1,416,320</u></u>	<u><u>\$ 7,672,605</u></u>

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

CITY OF LIVINGSTON, MONTANA
STATEMENT OF CASH FLOWS (CONTINUED)
PROPRIETARY FUNDS
Year Ended June 30, 2023

	Business-type Activities Enterprise Funds				
	<u>Water</u>	<u>Sewer</u>	<u>Solid Waste</u>	<u>Ambulance</u>	<u>Total</u>
Operating income	<u>\$ 661,400</u>	<u>\$ (94,015)</u>	<u>\$ 314,779</u>	<u>\$ 142,781</u>	<u>\$ 1,024,945</u>
Adjustments to reconcile operating income to net cash provided by operating activities					
Depreciation and amortization	346,842	1,285,573	162,941	159,046	1,954,402
Change in assets, deferred outflows, liabilities and deferred inflows:					
(Increase) Decrease in:					
Accounts receivable	(66,592)	(33,698)	(32,708)	(57,164)	(190,162)
Prepaid expense	2,866	3,137	4,460	2,435	12,898
Deferred outflows of resources	11,206	(10,198)	(14,685)	(27,818)	(41,495)
Increase (Decrease) in:					
Accounts payable	(301,824)	(28,681)	(94,581)	271,184	(153,902)
Payroll payable	(3,185)	(2,163)	(9,493)	(5,765)	(20,606)
Other post-employment benefits	(3,438)	10,031	7,304	9,064	22,961
Net pension liability	51,179	159,222	193,340	224,859	628,600
Deferred inflows of resources	(127,622)	(113,265)	(124,466)	(188,161)	(553,514)
Accrued employee benefits payable	<u>5,528</u>	<u>9,693</u>	<u>22,235</u>	<u>2,409</u>	<u>39,865</u>
Total adjustments	<u>(85,040)</u>	<u>1,279,651</u>	<u>114,347</u>	<u>390,089</u>	<u>1,699,047</u>
Net cash provided by operating activities	<u><u>\$ 576,360</u></u>	<u><u>\$ 1,185,636</u></u>	<u><u>\$ 429,126</u></u>	<u><u>\$ 532,870</u></u>	<u><u>\$ 2,723,992</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, 2023

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, 2023, 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 burden 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, 2023

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, 2023

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.

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. American Rescue Plan Fund: This fund was established to account for funds received through the Coronavirus State and Local Fiscal Recovery Funds established by the American Rescue Plan for the purpose of providing a substantial infusion of resources to help turn the tide on the COVID-19 pandemic, address its economic fallout, and lay the foundation for a strong and equitable recovery.
3. Regional Sewer Fund: This fund was created to account for sewer infrastructure improvements in the Green Acres and Montague subdivisions. Upon completion of this project in the winter of 2023, this fund will be closed.

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.

CITY OF LIVINGSTON, MONTANA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgets and Budgetary Accounting

An annual appropriated operating budget is adopted each fiscal year for the General Fund, Special Revenue Funds, Debt Service Funds, Capital Projects Funds, and Permanent 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. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement 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 the 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.

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.

CITY OF LIVINGSTON, MONTANA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 \$65,163 at June 30, 2023. 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.

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.

CITY OF LIVINGSTON, MONTANA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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.

CITY OF LIVINGSTON, MONTANA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Concept Statement No. 4, Elements of Financial Statements, introduced deferred outflows of resources and deferred inflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to future periods. Deferred inflows of resources represent an acquisition of net assets that applies to future periods. 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, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

New Accounting Standards

During the year ended June 30, 2023, the City adopted the following new standards:

GASB Statement No. 91, Conduit Debt Obligations

The objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice. This Statement clarifies the existing definition of a conduit debt obligation; establishes that a conduit debt obligation is not a liability of the issuer; establishes standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangement associated with conduit debt obligations, and improves required note disclosures. This Statement did not have a material effect on the City's financial statements.

GASB Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements

The objective of this Statement is to provide financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). This Statement did not have a material effect on the City's financial statements.

GASB Statement No. 96, Subscription-Based Information Technology Arrangements

This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users. This Statement defines a SBITA, establishes that a SBITA results in a right-to-use subscription asset and a corresponding subscription liability, provides the capitalization criteria for outlays other than subscription payments, and requires note disclosures regarding a SBITA. This Statement did not have a material effect on the City's financial statements.

GASB Statement No. 99, Omnibus

The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. This Statement did not have a material effect on the City's financial statements.

CITY OF LIVINGSTON, MONTANA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

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	\$ 8,139,232	\$ 190,884	\$ 8,330,116
Business-type activities	6,438,995	1,233,610	7,672,605
	<u>\$ 14,578,227</u>	<u>\$ 1,424,494</u>	<u>\$ 16,002,721</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 (\$9,318,002) 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 fair 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 0.19% to 3.0%. The investments are recorded at cost, which materially approximates market value.

Market Value Measurement and Application. The City categorizes its market 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, 2023

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://investmentmt.com/Annual-Reports>.

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 market value measurements.

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

	Cash/Cash Equivalents	Investments	Total Fair Value	Maturities	Credit Risk Rating	Fair Value Hierarchy
Petty cash	\$ 1,329	\$ -	\$ 1,329	N/A	N/A	N/A
Demand deposits	9,379,775	-	9,379,775	N/A	FDIC	N/A
Certificate of deposits	-	1,378,366	1,378,366	N/A	FDIC	Level 2
STIP	-	3,730,876	3,730,876	N/A	N/A	N/A
U.S. Government bonds		1,512,375	1,512,375	1-5 years	S&P AA+	Level 2
	<u>\$ 9,381,104</u>	<u>\$ 6,621,617</u>	<u>\$ 16,002,721</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, 2023, were based upon a taxable valuation of \$19,928,254.

CITY OF LIVINGSTON, MONTANA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

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, 2022</u>	<u>Additions</u>	<u>Disposals</u>	<u>Transfers</u>	<u>June 30, 2023</u>
Governmental activities:					
Non-depreciable					
Land	\$ 675,226	\$ -	\$ -	\$ -	\$ 675,226
Construction in progress	<u>673,749</u>	<u>2,320,585</u>	<u>-</u>	<u>-</u>	<u>2,994,334</u>
Total non-depreciable	<u>1,348,975</u>	<u>2,320,585</u>	<u>-</u>	<u>-</u>	<u>3,669,560</u>
Depreciable					
Buildings/improvements	4,951,182	88,917	(21,584)	-	5,018,515
Improvements other than buildings	2,547,510	40,833	(20,880)	-	2,567,463
Machinery and equipment	5,390,681	362,156	-	-	5,752,837
Infrastructure	<u>12,758,326</u>	<u>77,641</u>	<u>-</u>	<u>-</u>	<u>12,835,967</u>
Total depreciable	<u>25,647,699</u>	<u>569,547</u>	<u>(42,464)</u>	<u>-</u>	<u>26,174,782</u>
Less accumulated depreciation					
Buildings/improvements	(1,623,468)	(143,209)	21,584	-	(1,745,093)
Improvements other than buildings	(1,197,053)	(162,274)	20,880	-	(1,338,447)
Machinery and equipment	(3,130,840)	(403,566)	-	-	(3,534,406)
Infrastructure	<u>(2,580,497)</u>	<u>(320,590)</u>	<u>-</u>	<u>-</u>	<u>(2,901,087)</u>
Total accumulated depreciation	<u>(8,531,858)</u>	<u>(1,029,639)</u>	<u>42,464</u>	<u>-</u>	<u>(9,519,033)</u>
Total governmental activities	<u>\$ 18,464,816</u>	<u>\$ 1,860,493</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,325,309</u>

CITY OF LIVINGSTON, MONTANA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

4. CAPITAL ASSETS (Continued)

	<u>June 30, 2022</u>	<u>Additions</u>	<u>Disposals</u>	<u>Transfers/ Adjustments</u>	<u>June 30, 2023</u>
Business-type activities:					
Non-depreciable					
Land	\$ 52,980	\$ -	\$ -	\$ -	\$ 52,980
Construction in progress	796,686	116,620	-	(709,753)	203,553
Total non-depreciable	<u>849,666</u>	<u>116,620</u>	<u>-</u>	<u>(709,753)</u>	<u>256,533</u>
Depreciable					
Buildings and systems	51,006,435	1,478,659	-	709,753	53,194,847
Machinery and equipment	4,825,297	629,950	(207,964)	-	5,247,283
Total depreciable	<u>55,831,732</u>	<u>2,108,609</u>	<u>(207,964)</u>	<u>709,753</u>	<u>58,442,130</u>
Less accumulated depreciation					
Buildings and systems	(17,997,906)	(1,559,361)	-	-	(19,557,267)
Machinery and equipment	(3,460,024)	(395,041)	160,795	-	(3,694,270)
Total accumulated depreciation	<u>(21,457,930)</u>	<u>(1,954,402)</u>	<u>160,795</u>	<u>-</u>	<u>(23,251,537)</u>
Total business-type activities	<u>\$ 35,223,468</u>	<u>\$ 270,827</u>	<u>\$ (47,169)</u>	<u>\$ -</u>	<u>\$ 35,447,126</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, 2023, depreciation expense on capital assets was charged to the functions/programs as follows:

Governmental activities:		Business-type activities:	
General government	\$ 83,274	Water	\$ 346,842
Public safety	269,607	Sewer	1,285,573
Public works	461,569	Solid Waste	162,941
Public health	3,737	Ambulance	159,046
Culture and recreation	<u>211,452</u>	Total - business type activities	<u>\$ 1,954,402</u>
Total - governmental activities	<u>\$ 1,029,639</u>		

CITY OF LIVINGSTON, MONTANA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

5. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund balances as of June 30, 2023, consisted of the following:

	<u>Due To</u>	<u>Due From</u>	<u>Internal Balances</u>
Governmental activities:			
General	\$ -	\$ 273,244	\$ 273,244
Regional sewer	(102,029)	-	(102,029)
Nonmajor governmental funds	<u>(171,215)</u>	<u>-</u>	<u>(171,215)</u>
Total governmental activities	<u>\$ (273,244)</u>	<u>\$ 273,244</u>	<u>\$ -</u>

Interfund transfers consisted of the following for the year:

	<u>Transfer In</u>	<u>Transfer Out</u>	<u>Total</u>
Governmental activities:			
General	\$ 522,485	\$ (408,289)	\$ 114,196
American rescue plan	-	(582,637)	(582,637)
Regional sewer	-	(59,495)	(59,495)
Nonmajor governmental funds	<u>580,603</u>	<u>(452,667)</u>	<u>127,936</u>
Total governmental activities	<u>\$ 1,103,088</u>	<u>\$ (1,503,088)</u>	<u>\$ (400,000)</u>
Business-type activities			
Water	\$ -	\$ -	\$ -
Sewer	400,000	-	400,000
Solid waste	-	-	-
Ambulance	<u>-</u>	<u>-</u>	<u>-</u>
Total business-type activities	<u>\$ 400,000</u>	<u>\$ -</u>	<u>\$ 400,000</u>
Total	<u>\$ 1,503,088</u>	<u>\$ (1,503,088)</u>	<u>\$ -</u>

Transfers

The city receives tax revenue from its permissive health insurance levy. Tax proceeds and earned interest are transferred to eligible governmental fund types to offset health insurance costs.

CITY OF LIVINGSTON, MONTANA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

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 compensated absences, amounting to \$346,352 for governmental activities and \$181,318 for business-type activities at June 30, 2023, is expected to be paid in future years from future resources. In prior years, compensated absences have been liquidated primarily by the general fund and the proprietary funds.

	Balance June 30, 2022	Incurred	Satisfied	Balance June 30, 2023	Due within one year	Due after one year
Compensated absences						
Governmental activities	\$ 429,457	\$ 100,895	\$ (92,000)	\$ 438,352	\$ 92,000	\$ 346,352
Business-type activities	<u>175,453</u>	<u>73,865</u>	<u>(34,000)</u>	<u>215,318</u>	<u>34,000</u>	<u>181,318</u>
Total compensated absences	<u><u>\$ 604,910</u></u>	<u><u>\$ 174,760</u></u>	<u><u>\$ (126,000)</u></u>	<u><u>\$ 653,670</u></u>	<u><u>\$ 126,000</u></u>	<u><u>\$ 527,670</u></u>

7. LONG-TERM DEBT

Governmental Activities Long-Term Debt

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

	Balance June 30, 2022	Issuances	Repayments	Balance June 30, 2023	Current (Due within one year)	Long-term (Due after one year)
General obligation bonds	\$ 576,628	\$ -	\$ (31,775)	\$ 544,853	\$ 31,775	\$ 513,078
Notes payable	484,611	-	(128,684)	355,927	89,437	266,490
Special improvement	94,000	849,932	(30,000)	913,932	63,622	850,310
Tax increment	<u>1,846,864</u>	<u>-</u>	<u>(171,073)</u>	<u>1,675,791</u>	<u>178,072</u>	<u>1,497,719</u>
Totals	<u><u>\$ 3,002,103</u></u>	<u><u>\$ 849,932</u></u>	<u><u>\$ (361,532)</u></u>	<u><u>\$ 3,490,503</u></u>	<u><u>\$ 362,906</u></u>	<u><u>\$ 3,127,597</u></u>

CITY OF LIVINGSTON, MONTANA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

7. LONG-TERM DEBT (Continued)

General Obligation Bonds

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

	Original Amount	Term	Interest Rate	Balance June 30, 2023	Due within one year
2016 Fire Truck GO Bonds	\$ 750,000	20 yr	1.5% - 4.0%	\$ 520,000	30,000
2016 bond issuance premium	\$ 35,503	20 yr	1.5% - 4.0%	24,853	1,775
				<u>\$ 544,853</u>	<u>\$ 31,775</u>

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

Year ending June 30,	Principal	Interest	Total
2024	\$ 31,775	\$ 18,218	\$ 49,993
2025	36,775	17,544	54,319
2026	36,775	16,756	53,531
2027	36,775	15,968	52,743
2028	36,775	14,568	51,343
2029-2033	213,875	58,240	272,115
2034-2037	152,103	16,266	168,369
	<u>\$ 544,853</u>	<u>\$ 157,560</u>	<u>\$ 702,413</u>

CITY OF LIVINGSTON, MONTANA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

7. LONG-TERM DEBT (Continued)

Notes Payable

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

	Original Amount	Term	Interest Rate	Balance June 30, 2023	Due within one year
Dispatch remodel	\$ 75,000	10 yr	Variable, 1.65%	\$ 31,914	\$ 7,774
DOT Aeronatics - Airport	\$ 9,625	10 yr	1.625%	1,925	962
Snowblower	\$ 20,000	4 yr	Variable, 1.65%	4,679	4,679
Freightliner Street Sweeper	\$ 240,000	5 yr	Variable, 1.65%	45,242	45,242
Grader and Loader	\$ 300,000		Variable, 1.65%	272,167	30,780
				<u>\$ 355,927</u>	<u>\$ 89,437</u>

Notes payable debt service requirements to maturity are as follows:

Year ending June 30,	Principal	Interest	Total
2024	\$ 89,437	\$ 4,544	\$ 93,981
2025	35,205	3,909	39,114
2026	37,408	3,329	40,737
2027	37,723	2,765	40,488
2028	30,215	2,228	32,443
2029-2032	125,939	4,292	130,231
	<u>\$ 355,927</u>	<u>\$ 21,067</u>	<u>\$ 376,994</u>

CITY OF LIVINGSTON, MONTANA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

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:

	Original Amount	Term	Interest Rate	Balance June 30, 2023	Due within one year
SID No. 179 No. 1-2006	\$ 322,088	20 yr	3.75%	\$ 41,000	\$ 20,000
SID No. 179 No. 2-2006	\$ 158,500	20 yr	3.75%	23,000	11,000
SID No. 181 Regional Sewer	\$ 849,932	20 yr	2.25%	849,932	32,622
				<u>\$ 913,932</u>	<u>\$ 63,622</u>

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

Year ending June 30,	Principal	Interest	Total
2024	\$ 63,622	\$ 21,847	\$ 85,469
2025	67,950	18,890	86,840
2026	35,736	17,603	53,339
2027	36,540	16,799	53,339
2028	37,362	15,977	53,339
2029-2033	199,805	66,890	266,695
2034-2038	223,319	43,378	266,697
2039-2043	249,598	13,998	263,596
	<u>\$ 913,932</u>	<u>\$ 215,382</u>	<u>\$ 1,129,314</u>

Tax Increment Bonds

The City issues tax increment bonds to provide funds for water and sewer line extensions within the west end tax increment district as well as downtown construction projects. 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:

	Original Amount	Term	Interest Rate	Balance June 30, 2023	Due within one year
Tax increment bonds-2006	\$ 1,009,825	20 yr	3.75%	\$ 143,000	\$ 71,000
Downtown CIP Phase III & IV	\$ 2,015,000	15 yr	3.0% - 4.0%	1,510,000	105,000
2019 bond issuance premium	\$ 31,080	20 yr	1.5% - 4.0%	22,791	2,072
				<u>\$ 1,675,791</u>	<u>\$ 178,072</u>

CITY OF LIVINGSTON, MONTANA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

7. LONG-TERM DEBT (Continued)

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

Year ending June 30,	Principal	Interest	Total
2024	\$ 178,072	\$ 59,686	\$ 237,758
2025	179,072	55,106	234,178
2026	112,072	50,876	162,948
2027	117,072	47,026	164,098
2028	117,072	43,000	160,072
2029-2033	660,360	142,000	802,360
2034-2037	312,071	12,400	324,471
	<u>\$ 1,675,791</u>	<u>\$ 410,094</u>	<u>\$ 2,085,885</u>

Compliance requirements for the tax increment and SID 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.

Business-type Activities Long Term Debt

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

	Balance June 30, 2022	Issuances	Repayments	Balance June 30, 2023	Current (Due within one year)	Long-term (Due after one year)
Revenue bonds	<u>\$ 14,455,835</u>	<u>\$ -</u>	<u>\$ (459,250)</u>	<u>\$ 13,996,585</u>	<u>\$ 469,575</u>	<u>\$ 13,527,010</u>

CITY OF LIVINGSTON, MONTANA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

7. LONG-TERM DEBT (Continued)

Revenue Bonds

The City also issues bonds where the City pledges income derived from the acquired or constructed assets to pay debt service. Revenue bonds outstanding are as follows:

	<u>Original Amount</u>	<u>Term</u>	<u>Interest Rate</u>	<u>Balance June 30, 2023</u>	<u>Due within one year</u>
Wastewater improvement - ARRA B	\$ 359,300	20 yr	1.75%	\$ 130,000	\$ 20,000
Wasterwater treatment plant - SRF	\$ 4,840,000	20 yr	2.50%	3,752,000	179,000
USDA-RD WRF Note	\$ 5,000,000	40 yr	1.375%	4,472,585	101,575
SRF-18430 WTP	\$ 6,500,000	40 yr	2.50%	<u>5,642,000</u>	<u>169,000</u>
				<u>\$ 13,996,585</u>	<u>\$ 469,575</u>

Revenue bond debt service requirements to maturity are as follows:

<u>Year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 469,575	\$ 277,660	\$ 747,235
2025	481,151	267,779	748,930
2026	492,576	257,922	750,498
2027	503,023	247,827	750,850
2028	512,340	237,662	750,002
2029-2033	2,670,029	1,026,546	3,696,575
2034-2038	2,955,881	739,328	3,695,209
2039-2043	2,455,566	437,986	2,893,552
2044-2048	1,997,229	207,960	2,205,189
2049-2053	737,284	75,716	813,000
2054-2058	<u>721,931</u>	<u>23,407</u>	<u>745,338</u>
	<u>\$ 13,996,585</u>	<u>\$ 3,799,793</u>	<u>\$ 17,796,378</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.

CITY OF LIVINGSTON, MONTANA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

7. LONG-TERM DEBT (Continued)

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

	Balance June 30, 2022	Issuances	Repayments	Balance June 30, 2023	Due Within One Year
Governmental activities:					
Long-term debt:					
General obligation debt	\$ 576,628	\$ -	\$ (31,775)	\$ 544,853	\$ 31,775
Notes payable	484,611	-	(128,684)	355,927	89,437
Special improvement	94,000	849,932	(30,000)	913,932	63,622
Tax increment	1,846,864	-	(171,073)	1,675,791	178,072
Compensated absences	<u>429,457</u>	<u>100,895</u>	<u>(92,000)</u>	<u>438,352</u>	<u>92,000</u>
Total governmental activities	<u>\$ 3,431,560</u>	<u>\$ 950,827</u>	<u>\$ (453,532)</u>	<u>\$ 3,928,855</u>	<u>\$ 454,906</u>
Business-type activities:					
Revenue bonds	\$ 14,455,835	\$ -	\$ (459,250)	\$ 13,996,585	\$ 469,575
Compensated absences	<u>175,453</u>	<u>73,865</u>	<u>(34,000)</u>	<u>215,318</u>	<u>34,000</u>
Total business-type activities	<u>\$ 14,631,288</u>	<u>\$ 73,865</u>	<u>\$ (493,250)</u>	<u>\$ 14,211,903</u>	<u>\$ 503,575</u>

For the governmental activities, long-term debt obligations are liquidated by the general fund, street maintenance fund, urban renewal agency fund, and debt service funds.

CITY OF LIVINGSTON, MONTANA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

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. 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.

10. 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 liabilities are liquidated by the General, Library, Dispatch, Street Maintenance, Water, Sewer, Solid Waste, and Ambulance Funds.

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.

Actuarial Valuation

An actuarial valuation was performed for the City OPEB plan as of June 30, 2022. Roll forward procedures and calculations were used to obtain the figures reported for the year ended June 30, 2023.

CITY OF LIVINGSTON, MONTANA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

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

Employees Covered by Benefit Terms

As of June 30, 2023, the following employees were covered by the benefit terms:

Inactive members currently receiving benefits	8
Inactive members entitled to but not yet receiving benefits	0
Active members	88
	<hr/>
Total	96
	<hr/> <hr/>

Total OPEB Liability

The City's total OPEB liability was measured as of June 30, 2022 and was determined by an actuarial valuation as of June 30, 2022, with roll forward procedures used to calculate total OPEB liability as of June 30, 2023.

Actuarial Present Value of Future Benefits	
Retired - Employees	\$ 131,906
Retired - Spouses/Dependents	32,160
Actives - Employees	932,262
Actives - Spouses/Dependents	265,548
	<hr/>
	\$ 1,361,876
	<hr/> <hr/>
Total OPEB Liability	
Retired - Employees	\$ 142,801
Retired - Spouses/Dependents	34,816
Actives - Employees	397,613
Actives - Spouses/Dependents	118,555
	<hr/>
	\$ 693,785
	<hr/> <hr/>

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

CITY OF LIVINGSTON, MONTANA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

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

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

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

	1.0% Decrease (4.0%)	Current Healthcare Cost Trend Rate (5.0%)	1.0% Increase (6.0%)
Total OPEB Liability	\$ 616,850	\$ 693,786	\$ 786,903

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

The following presents the total OPEB liability, calculated using the current discount rate of 3.54%, as well as the total OPEB liability calculated using a discount rate that is 1-percentage point lower (2.54%) or 1-percentage point higher (4.54%) than the current rate:

	1.0% Decrease (2.54%)	Current Discount Rate (3.54%)	1.0% Increase (4.54%)
Total OPEB Liability	\$ 754,118	\$ 693,786	\$ 639,794

Changes in the Total OPEB Liability

Total OPEB liability - beginning of year	\$ 640,853
Service cost	60,761
Interest	24,269
Benefit payments	(32,097)
Net change in OPEB liability	<u>52,933</u>
Total OPEB liability - end of year	<u><u>\$ 693,786</u></u>
Covered-employee payroll	\$ 4,734,175
Total OPEB liability as a percentage of covered-employee payroll	14.65%

CITY OF LIVINGSTON, MONTANA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

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

OPEB Expense

For the year ended June 30, 2023, the City recognized OPEB expense of \$5,399.

Service cost	\$ 60,761
Interest	24,269
Economic/demographic (gains)/losses	(46,495)
Assumption changes	<u>(33,136)</u>
OPEB expense	<u><u>\$ 5,399</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:

	Deferred Inflows of Resources	Deferred Outflows of Resources
Difference between expected and actual experience	\$ (308,312)	\$ -
Changes in assumptions or other inputs	<u>(355,300)</u>	<u>81,706</u>
	<u><u>\$ (663,612)</u></u>	<u><u>\$ 81,706</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:

Year ending June 30	Amount
2024	\$ (79,631)
2025	\$ (79,631)
2026	\$ (79,631)
2027	\$ (79,631)
2028	\$ (79,631)
Thereafter	\$ (183,751)

CITY OF LIVINGSTON, MONTANA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

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

Actuarial Assumptions and Other Inputs

The total OPEB liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	3.00% per year
Salary increases	3.00% per year
Discount rate	3.54%
Healthcare cost trend rates	5.00% all years
Expected average remaining service lifetime	10.7 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-2022 generational projection of future mortality improvement.

11. 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 12, 13, and 14. In general, pension liabilities are liquidated by the funds in which the related payroll expenses were incurred.

Aggregate pension liability and related deferred inflows of resources and outflows of resources as of June 30, 2023, are disclosed below.

<u>Plan</u>	<u>Net Pension Liability</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Pension Expense</u>
PERS	\$ 4,106,618	\$ 300,643	\$ 793,431	\$ 639,783
MPORS	1,075,201	26,271	262,011	563,669
FURS	938,303	1,860	562,202	621,795
	<u>\$ 6,120,122</u>	<u>\$ 328,774</u>	<u>\$ 1,617,644</u>	<u>\$ 1,825,247</u>
Governmental activities	\$ 4,182,732	\$ 221,948	\$ 1,043,790	\$ 1,277,990
Business-type activities	1,937,390	106,826	573,854	547,257
	<u>\$ 6,120,122</u>	<u>\$ 328,774</u>	<u>\$ 1,617,644</u>	<u>\$ 1,825,247</u>

CITY OF LIVINGSTON, MONTANA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

12. 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, 2023, is based on a June 30, 2022 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 2.02% effective July 1, 2018).
 - 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, 2023

12. 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.

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.

CITY OF LIVINGSTON, MONTANA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

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

Contributions (Continued)

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

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

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

Fiscal Year	Member		State & University	Local Governments		School Districts	
	Hired < 7/1/11	Hired > 7/1/11	Employer	Employer	State	Employer	State
2023	7.900%	7.900%	9.070%	8.970%	0.100%	8.700%	0.370%
2022	7.900%	7.900%	8.970%	8.870%	0.100%	8.600%	0.370%
2021	7.900%	7.900%	8.870%	8.770%	0.100%	8.500%	0.370%
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, 2023

12. 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 \$34,633,570.

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.

Year Ended June 30	Covered Payroll	Employee Contributions	Employer Contributions	State Contributions
2023	\$ 3,974,578	\$ 313,433	\$ 356,520	\$ 3,974
2022	\$ 3,622,346	\$ 285,385	\$ 321,302	\$ 3,623
2021	\$ 3,352,832	\$ 264,874	\$ 294,043	\$ 3,353

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. The basis for the Total Pension Liability (TPL) as of June 30, 2022, is on an actuarial valuation performed by the Plan’s actuary as of June 30, 2022. The 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, 2023, and 2022, 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 \$4,106,618 and the employer’s proportionate share was 0.1727 percent.

	Net Pension Liability as of 6/30/2023	Net Pension Liability as of 6/30/2022	Percent of Collective NPL as of 6/30/2023	Percent of Collective NPL as of 6/30/2022	Change in Percent of Collective NPL
Employer Proportionate Share	\$ 4,106,618	\$ 2,871,948	0.1727%	0.1584%	0.0143%
State of Montana Proportionate Share associated with Employer	1,229,885	848,589	0.0517%	0.0468%	0.0049%
Total	<u>\$ 5,336,503</u>	<u>\$ 3,720,537</u>	<u>0.2244%</u>	<u>0.2052%</u>	<u>0.0192%</u>

CITY OF LIVINGSTON, MONTANA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

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

Changes in actuarial assumptions and methods: The following changes in assumptions or other inputs were made that affected the measurement of the TPL.

1. The discount rate was increased from 7.06% to 7.30%
2. The investment rate of return was increased from 7.06% to 7.30%
3. Updated all mortality tables to the PUB2010 tables for general employees.
4. Updated the rates of withdrawal, retirement, and disability.
5. Lowered the payroll growth assumption from 3.5% to 3.25%.
6. The inflation rate was increased from 2.4% to 2.75%.

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 to the plan 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, 2023, the employer recognized a Pension Expense of \$512,305 for its proportionate share of the Plan’s pension expense. The employer also recognized grant revenue of \$127,478 for the support provided by the State of Montana for its proportionate share of the pension expense associated with the employer.

	Pension Expense as of 6/30/2023
Employer Proportionate Share of PERS	\$ 512,305
Employer Grant Revenue - State of Montana Proportionate Share for employer	127,478
Total	<u>\$ 639,783</u>

Recognition of Deferred Inflows and Outflows

At June 30, 2023, the employer reported its proportionate share of the Plan’s deferred outflows of resources and deferred inflows of resources from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Actual vs. Expected Experience	\$ 52,351	\$ -
Projected vs. Actual Investment Earnings	120,692	-
Changes in Assumptions	153,037	300,643
Changes in Proportionate Share and Differences between Employer Contributions and Proportionate Share of Contributions	180,206	
Employer Contributions Subsequent to the Measurement Date	287,145	-
Total	<u>\$ 793,431</u>	<u>\$ 300,643</u>

CITY OF LIVINGSTON, MONTANA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

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

Deferred outflows of resources related to pensions resulting from the City’s contributions subsequent to the measurement date will be recognized as a reduction in the net pension liability in next fiscal year. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in employer’s pension expense as follows:

Year ended June 30:	Recognition of Deferred Outflows and Inflows in future years as an increase or (decrease) to Pension Expense
2023	\$ 116,699
2024	(55,674)
2025	(130,172)
2026	274,790
Thereafter	-
	<u><u>\$ 205,643</u></u>

Actuarial Assumptions

The total pension liability in the June 30, 2022 actuarial valuation as determined using the following actuarial assumptions.

- Investment Return (net of admin expense): 7.30%
- General Wage Growth (includes inflation at 2.75%): 3.50%
- Merit Increases: 0% to 4.8%
- 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 based on PUB-2010 general amounts weighted tables, projected generationally using MP-2021.

The actuarial assumptions and methods utilized in the June 30, 2022 valuation were developed in the five-year experience study for the period ending 2021.

CITY OF LIVINGSTON, MONTANA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

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

The long-term expected rate of return on pension plan investments is reviewed as part of regular experience studies prepared for the Plan about every five years. The long-term rate of return as of June 30, 2022, is based on analysis in the experience study report dated May 2, 2022 without consideration for the administrative expense analysis shown. Several factors are considered in evaluating the long-term rate of return assumption including long-term historical data, estimates inherent in current market data, and an analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation), along with estimates of variability and correlations for each asset class. These ranges were combined to develop the long-term expected rate of return weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The assumption is intended to be a long-term assumption (30 to 50 years) and is not expected to change absent a significant change in the asset allocation, a change in the underlying inflation assumption, or a fundamental change in the market that alters expected returns in future years.

The target asset allocation and best estimate of arithmetic real rates of return for each major asset class as of the most recent experience study, are summarized in the following table.

Asset Class	Target Asset Allocation	Long-Term Expected Real Rate of Return Arithmetic Basis
Cash Equivalents	3.00%	-0.33%
Domestic Equity	30.00%	5.90%
International Equity	17.00%	7.14%
Private Investments	15.00%	9.13%
Real Assets	5.00%	4.03%
Real Estate	9.00%	5.41%
Core Fixed Income	15.00%	1.14%
Non-core Fixed Income	6.00%	3.02%
Total	100.00%	

Discount Rate

The discount rate used to measure the TPL was 7.30%. 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 2126. 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, 2023

12. 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 7.30%, as well as what the NPL would be if it were calculated using a discount rate 1.00% lower or 1.00% higher than the current rate.

	1.0% Decrease (6.30%)	Current Discount Rate (7.30%)	1.0% Increase (8.30%)
Net Pension Liability	\$ 5,919,879	\$ 4,106,618	\$ 2,585,311

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, 2022, 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 340 employers that have participants in the PERS-DCRP totaled \$1,681,603.

Stand-Alone Statements

The financial statements of the Montana Public Employees Retirement Board (PERB) Annual Comprehensive Financial Report (ACFR) 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 <https://mpera.mt.gov/about/annualreports1/annualreports>.

CITY OF LIVINGSTON, MONTANA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

13. 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, 2023, is based on a June 30, 2022 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.

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

Summary of Benefits

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

Eligibility for benefit and benefit formulas

Service retirement:

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

Second retirement

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

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

CITY OF LIVINGSTON, MONTANA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

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

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

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

Member’s final average compensation (FAC)

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

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

Compensation Cap

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

Guaranteed Annual Benefit Adjustment (GABA)

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

Minimum benefit adjustment (non-GABA)

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

Contributions

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

CITY OF LIVINGSTON, MONTANA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

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

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

Fiscal Year	Member				Employer	State
	Hired < 7/1/75	Hired > 6/30/75	Hired > 6/30/79	Hired > 6/30/97 GABA		
2000-2023	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.

Year Ended June 30	Covered Payroll	Employee Contributions	Employer Contributions	State Contributions
2023	\$ 829,185	\$ 74,626	\$ 119,486	\$ 243,532
2022	\$ 849,125	\$ 76,421	\$ 122,359	\$ 249,388
2021	\$ 829,549	\$ 74,659	\$ 119,538	\$ 243,639

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 Total Pension Liability (TPL). The basis for the TPL as of June 30, 2023, is on an actuarial valuation performed by the Plan’s actuary as of June 30, 2022. The 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, 2023, and 2022, 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 \$1,075,201 and the employer’s proportionate share was 0.4552 percent.

	Net Pension Liability as of 6/30/2023	Net Pension Liability as of 6/30/2022	Percent of Collective NPL as of 6/30/2023	Percent of Collective NPL as of 6/30/2022	Change in Percent of Collective NPL
Employer Proportionate Share	\$ 1,075,201	\$ 833,240	0.4552%	0.4584%	-0.0032%
State of Montana Proportionate Share associated with Employer	2,185,305	1,693,613	0.9251%	0.9316%	-0.0065%
Total	<u>\$ 3,260,506</u>	<u>\$ 2,526,853</u>	<u>1.3803%</u>	<u>1.3900%</u>	<u>-0.0097%</u>

CITY OF LIVINGSTON, MONTANA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

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

Changes in actuarial assumptions and methods: The following changes in assumptions or other inputs were made that affected the measurement of the TPL.

1. The discount rate was increased from 7.06% to 7.30%
2. The investment rate of return was increased from 7.06% to 7.30%
3. Updated all mortality tables to the PUB2010 tables for general employees.
4. Updated the rates of withdrawal, retirement, and disability.
5. Lowered the payroll growth assumption from 3.5% to 3.25%.
6. The inflation rate was increased from 2.4% to 2.75%.

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, 2023, the employer recognized its proportionate share of the Plan’s pension expense of \$189,002. The employer also recognized grant revenue of \$374,667 for the support provided by the State of Montana for its proportionate share of the pension expense associated with the employer.

	Pension Expense as of 6/30/2023
Employer Proportionate Share of MPORS	\$ 189,002
Employer Grant Revenue - State of Montana Proportionate Share for employer	374,667
Total	<u>\$ 563,669</u>

CITY OF LIVINGSTON, MONTANA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

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

Recognition of Deferred Inflows and Outflows

At June 30, 2023, the employer reported its proportionate share of the Plan’s deferred outflows of resources and deferred inflows of resources from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Actual vs. Expected Experience	\$ 4,782	\$ 5,633
Projected vs. Actual Investment Earnings	39,163	-
Changes in Assumptions	94,886	20,638
Changes in Proportionate Share and Differences between Employer Contributions and Proportionate Share of Contributions	3,694	-
Employer Contributions Subsequent to the Measurement Date	119,486	-
Total	<u>\$ 262,011</u>	<u>\$ 26,271</u>

Deferred outflows of resources related to pensions resulting from the City’s contributions subsequent to the measurement date will be recognized as a reduction in the net pension liability in next fiscal year. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	Recognition of Deferred Outflows and Inflows in future years as an increase or (decrease) to Pension Expense
2023	\$ 69,572
2024	17,810
2025	(29,320)
2026	58,192
Thereafter	-
	<u>\$ 116,254</u>

CITY OF LIVINGSTON, MONTANA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

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

Actuarial Assumptions

The total pension liability as of June 30, 2023, was determined by an actuarial valuation date of June 30, 2022, using the following actuarial assumptions, applied to all periods included in the measurement. Among those assumptions were the following:

- Investment Return (net of admin expense): 7.30%
- General Wage Growth (includes inflation at 2.75%): 3.50%
- Merit Increases: 0% to 4.8%
- 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 police officer of the employer that last employed the member as a police officer
- Mortality assumptions based on PUB-2010 general amounts weighted tables, projected generationally using MP-2021.

The actuarial assumptions and methods utilized in the June 30, 2022 valuation were developed in the five-year experience study for the period ending 2021.

Target Allocations

The long-term expected rate of return on pension plan investments is reviewed as part of regular experience studies prepared for the Plan about every five years. The long-term rate of return as of June 30, 2022, is based on analysis in the experience study report dated May 2, 2022 without consideration for the administrative expense analysis shown. Several factors are considered in evaluating the long-term rate of return assumption including long-term historical data, estimates inherent in current market data, and an analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation), along with estimates of variability and correlations for each asset class. These ranges were combined to develop the long-term expected rate of return weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The assumption is intended to be a long-term assumption (30 to 50 years) and is not expected to change absent a significant change in the asset allocation, a change in the underlying inflation assumption, or a fundamental change in the market that alters expected returns in future years.

The target asset allocation and best estimate of arithmetic real rates of return for each major asset class as of the most recent experience study, are summarized in the following table.

CITY OF LIVINGSTON, MONTANA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

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

Asset Class	Target Asset Allocation	Long-Term Expected Real Rate of Return Arithmetic Basis
Cash Equivalents	3.00%	-0.33%
Domestic Equity	30.00%	5.90%
International Equity	17.00%	7.14%
Private Investments	15.00%	9.13%
Real Assets	5.00%	4.03%
Real Estate	9.00%	5.41%
Core Fixed Income	15.00%	1.14%
Non-core Fixed Income	6.00%	3.02%
Total	100.00%	

Discount Rate

The discount rate used to measure the TPL was 7.30%. 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 2134. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the TPL. A municipal bond rate was not incorporated in the discount rate.

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

The following presents the employer’s sensitivity of the NPL to the discount rate in the table below. A small change in the discount rate can create a significant change in the liability. The NPL was calculated using the discount rate of 7.30%, as well as what the NPL would be if it were calculated using a discount rate 1.00% lower or 1.00% higher than the current rate.

	1.0% Decrease (6.30%)	Current Discount Rate (7.30%)	1.0% Increase (8.30%)
Employer's Net Pension Liability	\$ 1,620,177	\$ 1,075,201	\$ 642,381

Stand-Alone Statements

The financial statements of the Montana Public Employees Retirement Board (PERB) Annual Comprehensive Financial Report (ACFR) 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 <https://mpera.mt.gov/about/annualreports1/annualreports>.

CITY OF LIVINGSTON, MONTANA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

14. 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, 2023, is based on a June 30, 2022 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.

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.

CITY OF LIVINGSTON, MONTANA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

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

- 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

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.

CITY OF LIVINGSTON, MONTANA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

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

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 table below.

	Member			
Fiscal Year	Non-GABA	GABA	Employer	State
1998-2023	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.

Year Ended June 30	Covered Payroll	Employee Contributions	Employer Contributions	State Contributions
2023	\$ 1,236,738	\$ 132,331	\$ 177,595	\$ 403,300
2022	\$ 1,144,565	\$ 122,468	\$ 164,359	\$ 373,243
2021	\$ 1,146,855	\$ 122,713	\$ 164,689	\$ 373,990

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 Total Pension Liability (TPL). The basis for the TPL as of June 30, 2023, is on an actuarial valuation performed by the Plan’s actuary as of June 30, 2022. The 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, 2023, and 2022, 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 \$938,303 and the employer’s proportionate share was 0.5907 percent.

	Net Pension Liability as of 6/30/2023	Net Pension Liability as of 6/30/2022	Percent of Collective NPL as of 6/30/2023	Percent of Collective NPL as of 6/30/2022	Change in Percent of Collective NPL
Employer Proportionate Share	\$ 938,303	\$ 533,318	0.5907%	0.6232%	-0.0325%
State of Montana Proportionate Share associated with Employer	2,122,869	1,210,462	1.3364%	1.4145%	-0.0781%
Total	<u>\$ 3,061,172</u>	<u>\$ 1,743,780</u>	<u>1.9271%</u>	<u>2.0377%</u>	<u>-0.1106%</u>

CITY OF LIVINGSTON, MONTANA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

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

Changes in actuarial assumptions and methods: The following changes in assumptions or other inputs were made that affected the measurement of the TPL.

1. The discount rate was increased from 7.06% to 7.30%
2. The investment rate of return was increased from 7.06% to 7.30%
3. Updated all mortality tables to the PUB2010 tables for general employees.
4. Updated the rates of withdrawal, retirement, and disability.
5. Lowered the payroll growth assumption from 3.5% to 3.25%.
6. The inflation rate was increased from 2.4% to 2.75%.

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, 2023, the employer recognized its proportionate share of the Plan’s pension expense of \$187,411. The employer also recognized grant revenue of \$434,384 for the support provided by the state of Montana for the proportionate share of the pension expense that is associated with the employer.

	Pension Expense as of 6/30/2023
Employer Proportionate Share of MPORS	\$ 187,411
Employer Grant Revenue - State of Montana Proportionate Share for employer	434,384
Total	<u>\$ 621,795</u>

CITY OF LIVINGSTON, MONTANA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

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

Recognition of Deferred Inflows and Outflows

At June 30, 2023, the employer reported its proportionate share of the Plan’s deferred outflows of resources and deferred inflows of resources from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Actual vs. Expected Experience	\$ 81,834	\$ 1,833
Projected vs. Actual Investment Earnings	58,931	-
Changes in Assumptions	243,842	-
Changes in Proportionate Share and Differences between Employer Contributions and Proportionate Share of Contributions		27
Employer Contributions Subsequent to the Measurement Date	177,595	-
Total	<u>\$ 562,202</u>	<u>\$ 1,860</u>

Deferred outflows of resources related to pensions resulting from the City’s contributions subsequent to the measurement date will be recognized as a reduction in the net pension liability in next fiscal year. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	Recognition of Deferred Outflows and Inflows in future years as an increase or (decrease) to Pension Expense
2023	\$ 88,375
2024	62,399
2025	39,304
2026	150,850
Thereafter	41,819
	<u>\$ 382,747</u>

CITY OF LIVINGSTON, MONTANA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

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

Actuarial Assumptions

The total pension liability as of June 30, 2023, was determined by an actuarial valuation date of June 30, 2022, using the following actuarial assumptions, applied to all periods included in the measurement. Among those assumptions were the following:

- Investment Return (net of admin expense): 7.30%
- General Wage Growth (includes inflation at 2.75%): 3.50%
- Merit Increases: 0% to 4.8%
- 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 based on PUB-2010 general amounts weighted tables, projected generationally using MP-2021.

The actuarial assumptions and methods utilized in the June 30, 2022 valuation were developed in the five-year experience study for the period ending 2021.

Target Allocations

The long-term expected rate of return on pension plan investments is reviewed as part of regular experience studies prepared for the Plan about every five years. The long-term rate of return as of June 30, 2022, is based on analysis in the experience study report dated May 2, 2022 without consideration for the administrative expense analysis shown. Several factors are considered in evaluating the long-term rate of return assumption including long-term historical data, estimates inherent in current market data, and an analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation), along with estimates of variability and correlations for each asset class. These ranges were combined to develop the long-term expected rate of return weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The assumption is intended to be a long-term assumption (30 to 50 years) and is not expected to change absent a significant change in the asset allocation, a change in the underlying inflation assumption, or a fundamental change in the market that alters expected returns in future years.

The target asset allocation and best estimate of arithmetic real rates of return for each major asset class as of the most recent experience study, are summarized in the following table.

CITY OF LIVINGSTON, MONTANA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

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

Asset Class	Target Asset Allocation	Long-Term Expected Real Rate of Return Arithmetic Basis
Cash Equivalents	3.00%	-0.33%
Domestic Equity	30.00%	5.90%
International Equity	17.00%	7.14%
Private Investments	15.00%	9.13%
Real Assets	5.00%	4.03%
Real Estate	9.00%	5.41%
Core Fixed Income	15.00%	1.14%
Non-core Fixed Income	6.00%	3.02%
Total	100.00%	

Discount Rate

The discount rate used to measure the TPL was 7.30%. 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 7.30%, as well as what the NPL would be if it were calculated using a discount rate 1.00% lower or 1.00% higher than the current rate.

	1.0% Decrease (6.30%)	Current Discount Rate (7.30%)	1.0% Increase (8.30%)
Employer's Net Pension Liability	\$ 1,626,230	\$ 938,303	\$ 388,996

Stand-Alone Statements

The financial statements of the Montana Public Employees Retirement Board (PERB) Annual Comprehensive Financial Report (ACFR) 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 <https://mpera.mt.gov/about/annualreports1/annualreports>.

CITY OF LIVINGSTON, MONTANA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

15. 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 \$562,347 during fiscal year 2023.

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 \$842,341 for ambulance and \$408,289 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.

16. CLASSIFICATION OF NET POSITION

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

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

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

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

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

CITY OF LIVINGSTON, MONTANA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

17. 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 funds based on total appropriations. 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, 2023

18. MAJOR PURPOSE PRESENTATION

The table presented below displays the City's fund balances by major purpose as displayed on page II-15 of the governmental funds balance sheet. GASB Statement No. 54 requires the disclosure of the purpose of each Major Special Revenue Fund.

	General Fund	American Rescue Plan	Regional Sewer	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable					
Long-term interfund receivable	\$ 273,244	\$ -	\$ -	\$ -	\$ 273,244
Cemetery perpetual care	-	-	-	258,121	258,121
Total nonspendable	<u>273,244</u>	<u>-</u>	<u>-</u>	<u>258,121</u>	<u>531,365</u>
Restricted					
Public works	-	-	-	1,593,378	1,593,378
Debt service	-	-	-	268,070	268,070
Total restricted	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,861,448</u>	<u>1,861,448</u>
Committed					
General government	-	104,887	-	1,969,529	2,074,416
Public safety	-	-	-	166,579	166,579
Public works	-	-	862,729	1,145,241	2,007,970
Public health	-	-	-	148	148
Culture and recreation	-	-	-	886,233	886,233
Capital projects	-	-	-	145,356	145,356
Debt service	-	-	-	58,714	58,714
Total committed	<u>-</u>	<u>104,887</u>	<u>862,729</u>	<u>4,371,800</u>	<u>5,339,416</u>
Unassigned	<u>3,077,456</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,077,456</u>
Total fund balances	<u><u>\$ 3,350,700</u></u>	<u><u>\$ 104,887</u></u>	<u><u>\$ 862,729</u></u>	<u><u>\$ 6,491,369</u></u>	<u><u>\$ 10,809,685</u></u>

CITY OF LIVINGSTON, MONTANA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

19. COMMITMENTS AND CONTINGENCIES

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 determined at this time, although the City expects such amounts, if any, to be immaterial.

The City is involved in the litigation of other lawsuits which arise in the normal course of City operations. City management intends to pursue the vigorous defense of each claim, and believes that no material losses will be incurred on the pending claims. Although the outcomes of these lawsuits are presently pending and not yet determinable, in the opinion of the City's counsels, they believe that the chance of loss is remote and that the resolution of these matters will not have a material adverse effect on the financial condition of the City.

20. SUBSEQUENT EVENTS

Management has evaluated subsequent events through December 19, 2023, 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, 2023

SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS						
	2023	2022	2021	2020	2019	2018
Total OPEB Liability						
Service cost	\$ 60,761	\$ 85,981	\$ 83,477	\$ 63,821	\$ 61,962	\$ 82,832
Interest	24,269	24,513	23,184	39,762	37,460	49,743
Changes in benefit terms	-	-	-	-	-	-
Differences between expected and actual experience	-	(132,187)	-	(190,279)	-	(178,090)
Changes of assumptions or other inputs	-	(336,293)	-	134,418	-	(171,175)
Benefit payments	(32,097)	(48,765)	(49,224)	(42,339)	(41,275)	(34,885)
Net change in total OPEB liability	52,933	(406,751)	57,437	5,383	58,147	(251,575)
Total OPEB liability - beginning	640,853	1,047,604	990,167	984,784	926,637	1,178,212
Total OPEB liability - ending	\$ 693,786	\$ 640,853	\$ 1,047,604	\$ 990,167	\$ 984,784	\$ 926,637
Covered-employee payroll	\$ 4,734,175	\$ 4,596,286	\$ 4,277,346	\$ 4,152,763	\$ 4,184,393	\$ 4,062,517
Total OPEB liability as a percentage of covered-employee payroll	14.65%	13.94%	24.49%	23.84%	23.53%	22.81%

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

Assets are not accumulated in a trust that meets the criteria in GASB Statement No. 75, paragraph 4 to pay related benefits.

Assumption Changes. Changes of assumptions reflect the effects of changes in the discount rate used each period. The following discount rates were used for each of the periods presented:

6/30/2023	3.54%
6/30/2022	3.54%
6/30/2021	2.21%
6/30/2020	2.21%
6/30/2019	3.87%
6/30/2018	3.87%

CITY OF LIVINGSTON, MONTANA
NOTE TO RSI
Notes to Required Supplementary Information - OPEB (Other Post-Employment Healthcare Benefits)
Year Ended June 30, 2023

Measurement Date June 30, 2022
Valuation Date June 30, 2022
Reporting Date June 30, 2022
Measurement Period July 1, 2021 to June 30, 2022

Discount Rate 3.54% 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 3.54% as of June 30, 2022.

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	\$ 15,097
Madison Plan at age 60	\$ 14,566
Mission plan at age 60	\$ 13,447
HDHP at age 60	\$ 9,787

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 2021 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, 2023

Future Retiree Participation Rate 50% for participants not yet eligible for Medicare. Upon Medicare eligibility, participation is expected to reduce by 80%. 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, 2023

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, 2021 to June 30, 2022 measurement period was determined as follows:

	Number of members as of July 1, 2022	Expected remaining service lives
Active Members	88	11.70
Inactive Members	8	-
Weighted average rounded to nearest tenth		10.7

Assets in Trust

No assets have been accumulated in a trust to pay related benefits for the OPEB plan.

NET PENSION LIABILITY

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

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY										
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Employer's proportionate share of the net pension liability associated with the employer	0.17270%	0.15839%	0.16326%	0.16100%	0.15270%	0.20900%	0.20820%	0.21487%	0.22315%	0.23150%
Employer's proportionate share of the net pension liability	\$ 4,106,617	\$ 2,871,948	\$ 4,307,035	\$ 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	1,229,885	848,589	1,357,874	1,096,350	1,068,307	54,255	43,341	36,894	33,954	43,693
Total	\$ 5,336,502	\$ 3,720,537	\$ 5,664,909	\$ 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	\$ 3,025,067	\$ 2,797,753	\$ 2,739,161	\$ 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	135.75%	102.65%	157.24%	126.69%	126.92%	157.00%	142.20%	119.78%	110.07%	Not available
Plan fiduciary net position as a percent of the total pension liability	73.66%	79.91%	68.90%	73.85%	73.47%	73.75%	74.71%	78.40%	79.87%	Not available

SCHEDULE OF CONTRIBUTIONS										
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contributions	\$ 287,142	\$ 269,923	\$ 247,935	\$ 239,987	\$ 228,471	\$ 212,658	\$ 217,022	\$ 215,355	\$ 213,108	\$ 212,294
Contributions in relation to the contractually required contributions	\$ 287,142	\$ 269,923	\$ 247,935	\$ 239,987	\$ 228,471	\$ 212,658	\$ 217,022	\$ 215,355	\$ 213,108	\$ 212,294
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-	-
Employer's covered payroll	\$ 3,201,130	\$ 3,025,067	\$ 2,797,753	\$ 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	8.97%	8.92%	8.86%	8.76%	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, 2023

Changes of Benefit Terms

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

2017 Legislative Changes:

Working Retiree Limitations - for PERS

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

Refunds

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

Interest credited to member accounts

Effective July 1, 2017, 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 after 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 contributions

The following actuarial assumptions and methods were used to determine contribution rates reported for fiscal year ending June 30, 2022, which were based on the results of the June 30, 2021 actuarial valuation:

General Wage Growth*	3.50%
Investment Rate of Return*	7.65%
*Includes inflation at	2.75%
Merit salary increased	0% to 8.47%
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 (Heathy 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, with no projections
Admin Expense as % of Payroll	0.29%

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.

The actuarial assumptions and methods utilized in the June 30, 2021 valuation were developed in the six-year experience study for the period ending 2016.

See Independent Auditors' Report

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

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY										
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Employer's proportionate share of the net pension liability associated with the employer	0.45520%	0.45840%	0.46350%	0.43400%	0.44450%	0.41760%	0.41400%	0.43748%	0.46022%	0.46022%
Employer's proportionate share of the net pension liability	\$ 1,075,201	\$ 833,240	\$ 1,133,727	\$ 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	2,185,305	1,693,613	2,286,611	1,759,125	1,556,226	1,514,389	\$ 1,479,303	\$ 1,466,255	\$ 1,460,901	\$ 1,664,490
Total	\$ 3,260,506	\$ 2,526,853	\$ 3,420,338	\$ 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	\$ 849,125	\$ 829,549	\$ 794,032	\$ 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	126.62%	100.44%	142.78%	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	69.67%	75.76%	64.84%	68.84%	70.95%	68.34%	65.62%	66.90%	67.00%	Not available

SCHEDULE OF CONTRIBUTIONS										
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contributions	\$ 119,485	\$ 122,359	\$ 119,378	\$ 115,686	\$ 103,484	\$ 104,945	\$ 89,995	\$ 85,713	\$ 85,344	\$ 89,782
Contributions in relation to the contractually required contributions	\$ 119,485	\$ 122,359	\$ 119,378	\$ 115,686	\$ 103,484	\$ 104,945	\$ 89,995	\$ 85,713	\$ 85,344	\$ 89,782
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-	-
Employer's covered payroll	\$ 829,184	\$ 849,125	\$ 829,549	\$ 794,032	\$ 715,290	\$ 701,658	\$ 624,530	\$ 584,407	\$ 605,483	\$ 617,498
Contributions of covered payroll	14.41%	14.41%	14.39%	14.57%	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, 2023

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, 2023

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 and methods were used to determine contribution rates reported for fiscal year ending June 30, 2022, which were based on the results of the June 30, 2021 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	0.17%

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.

The actuarial assumptions and methods utilized in the June 30, 2021 valuation, were developed in the six-year experience study for the period ending 2016.

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

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY										
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Employer's proportionate share of the net pension liability associated with the employer	0.5907%	0.6232%	0.5932%	0.5747%	0.5967%	0.5964%	0.6146%	0.6135%	0.6361%	0.6361%
Employer's proportionate share of the net pension liability	\$ 938,303	\$ 533,318	\$ 928,252	\$ 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	2,122,869	1,210,462	2,092,591	1,594,538	1,571,515	1,530,932	\$ 1,590,422	\$ 1,397,436	\$ 1,400,749	\$ 1,792,875
Total	\$ 3,061,172	\$ 1,743,780	\$ 3,020,843	\$ 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	\$ 1,144,565	\$ 1,146,855	\$ 1,035,565	\$ 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	81.98%	46.50%	89.64%	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	78.76%	87.72%	75.34%	80.08%	79.03%	77.77%	75.48%	76.90%	76.70%	Not available

SCHEDULE OF CONTRIBUTIONS										
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contributions	\$ 177,595	\$ 164,068	\$ 164,068	\$ 152,426	\$ 137,351	\$ 138,330	\$ 128,034	\$ 123,740	\$ 120,686	\$ 119,419
Contributions in relation to the contractually required contributions	\$ 177,595	\$ 164,068	\$ 164,068	\$ 152,426	\$ 137,351	\$ 138,330	\$ 128,034	\$ 123,740	\$ 120,686	\$ 119,419
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-	-
Employer's covered payroll	\$ 1,236,738	\$ 1,144,565	\$ 1,146,855	\$ 1,035,565	\$ 996,655	\$ 939,843	\$ 897,400	\$ 865,474	\$ 824,391	\$ 826,239
Contributions of covered payroll	14.36%	14.33%	14.31%	14.72%	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, 2023

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 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 entitled 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, 2023

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 and methods were used to determine contribution rates reported for fiscal year ending June 30, 2022, which were based on the results of the June 30, 2021 actuarial valuation:

General Wage Growth*	3.50%
Investment Rate of Return*	7.65%
*Includes inflation at	2.75%
Merit salary increase	0% to 6.30%
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	0.17%

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.

The actuarial assumptions and methods utilized in the June 30, 2021 valuation, were developed in the six-year experience study for the period ending 2016.

BUDGETARY COMPARISON SCHEDULES

CITY OF LIVINGSTON, MONTANA
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
Year Ended June 30, 2023

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive (Negative)
Budgetary fund balance, July 1	\$ 2,868,318	\$ 2,868,318	\$ 2,868,318	\$ -
Resources (inflows):				
Taxes	2,937,881	2,937,881	3,135,499	197,618
Licenses and permits	318,100	318,100	334,839	16,739
Intergovernmental	1,828,369	1,828,369	1,780,233	(48,136)
Charges for services	113,900	113,900	199,591	85,691
Fines and forfeitures	106,500	106,500	90,103	(16,397)
Interest on investments	2,500	2,500	12,461	9,961
Transfers from other funds	429,056	429,056	522,485	93,429
Other	131,560	131,560	216,764	85,204
Amounts available for appropriation	8,736,184	8,736,184	9,160,293	424,109
Charges to appropriations (outflows):				
Current				
General government	605,179	605,179	658,425	(53,246)
Public safety	3,445,741	3,445,741	3,259,040	186,701
Public works	447,957	447,957	440,384	7,573
Public health	144,664	144,664	139,336	5,328
Culture and recreation	544,965	544,965	573,080	(28,115)
Capital outlay	302,050	302,050	320,858	(18,808)
Debt service	9,157	9,157	10,181	(1,024)
Transfers to other funds	408,289	408,289	408,289	-
Total charges to appropriations	5,908,002	5,908,002	5,809,593	98,409
Budgetary fund balance, June 30	\$ 2,828,182	\$ 2,828,182	\$ 3,350,700	\$ 522,518

See the Independent Auditors' Report.

CITY OF LIVINGSTON, MONTANA
BUDGETARY COMPARISON SCHEDULE - AMERICAN RESCUE PLAN SPECIAL REVENUE FUND
Year Ended June 30, 2023

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive (Negative)
Budgetary fund balance, July 1	\$ 1,096	\$ 1,096	\$ 1,096	\$ -
Resources (inflows):				
Taxes	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	1,912,682	1,912,682	1,918,675	5,993
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Interest on investments	750	750	6,493	5,743
Transfers from other funds	-	-	-	-
Other	-	-	-	-
	<u>1,914,528</u>	<u>1,914,528</u>	<u>1,926,264</u>	<u>11,736</u>
Amounts available for appropriation				
Charges to appropriations (outflows):				
Current				
General government	-	1,331,732	1,238,740	92,992
Public safety	-	-	-	-
Public works	-	-	-	-
Public health	-	-	-	-
Culture and recreation	-	-	-	-
Capital outlay	-	-	-	-
Debt service	-	-	-	-
Transfers to other funds	1,914,367	582,635	(582,637)	1,165,272
	<u>1,914,367</u>	<u>1,914,367</u>	<u>656,103</u>	<u>1,258,264</u>
Total charges to appropriations				
Budgetary fund balance, June 30	<u>\$ 161</u>	<u>\$ 161</u>	<u>\$ 1,270,161</u>	<u>\$ 1,270,000</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, 2023**

	<u>General Fund</u>	<u>American Rescue Plan</u>
Sources/inflows of resources		
Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule	\$ 9,160,293	\$ 1,926,264
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.	(2,868,318)	(1,096)
Transfers from other funds are inflows of budgetary resources but are not <i>revenues</i> for financial reporting purposes.	(522,485)	-
The proceeds from the issuance of long-term debt are budgetary resources but are not <i>revenues</i> for financial reporting purposes.	<u>-</u>	<u>-</u>
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u><u>\$ 5,769,490</u></u>	<u><u>\$ 1,925,168</u></u>
 Uses/outflows of resources		
Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	\$ 5,809,593	\$ 656,103
Differences - budget to GAAP:		
Transfers to other funds are outflows of budgetary resources but are not <i>expenditures</i> for financial reporting purposes.	<u>(408,289)</u>	<u>582,637</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u><u>\$ 5,401,304</u></u>	<u><u>\$ 1,238,740</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 911center 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.

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.

SPECIAL REVENUE FUNDS (CONTINUED)

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.

S.I.D. 181: SID 181 was created in June of 2023 for the purpose of servicing debt issued to install Sewer Mains in the area of Green Acres and Montague subdivisions. The final property owner assessments will be collected in June of 2043. This special improvement district was financed by a bond issued by the State Revolving Loan 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, 2023

Special Revenue Funds						
	Comprehensive Liability Insurance	Library	Emergency/ Disaster	Dispatch/ Communication	Tax Increment District Downtown	Permissive Medical Levy
ASSETS						
Current assets						
Cash and cash equivalents	\$ 21,725	\$ 634,052	\$ -	\$ 130,636	\$ 1,073,740	\$ 49
Receivables						
Property taxes	78	2,903	-	-	22,311	10,324
Customers, net	-	-	-	1,425	-	-
Other	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-
Other governments	6	208,722	245,158	-	87,322	45,211
Restricted cash and cash equivalents	-	-	-	-	162,175	-
Total current assets	21,809	845,677	245,158	132,061	1,345,548	55,584
Total assets	<u>\$ 21,809</u>	<u>\$ 845,677</u>	<u>\$ 245,158</u>	<u>\$ 132,061</u>	<u>\$ 1,345,548</u>	<u>\$ 55,584</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ -	\$ 7,012	\$ -	\$ 18,421	\$ -	\$ -
Payroll payable	-	17,185	-	28,117	-	-
Due to other City funds	-	-	171,215	-	-	-
Total liabilities	-	24,197	171,215	46,538	-	-
Deferred inflows of resources:						
Deferred inflows of tax revenues	78	2,903	-	-	22,311	10,324
Deferred inflows of special assessments	-	-	-	-	-	-
Total deferred inflows of resources	78	2,903	-	-	22,311	10,324
Fund balances:						
Nonspendable	-	-	-	-	-	-
Restricted	-	-	-	-	162,500	-
Committed	21,731	818,577	73,943	85,523	1,160,737	45,260
Unassigned	-	-	-	-	-	-
Total fund balances	21,731	818,577	73,943	85,523	1,323,237	45,260
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 21,809</u>	<u>\$ 845,677</u>	<u>\$ 245,158</u>	<u>\$ 132,061</u>	<u>\$ 1,345,548</u>	<u>\$ 55,584</u>

(continued)

See the Independent Auditors' Report.

CITY OF LIVINGSTON, MONTANA
COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2023

	Special Revenue Funds					
	CDBG Economic Development Revolving	Impact Fees	S.I.D. Lighting	Street Maintenance	Sidewalks	Business Improvement District
ASSETS						
Current assets						
Cash and cash equivalents	\$ 916	\$ 1,059,954	\$ 129,317	\$ 866,312	\$ 22,582	\$ 18,364
Receivables						
Property taxes	-	-	-	-	-	-
Customers, net	-	-	-	2,248	-	-
Other	737,012	-	-	-	-	-
Special assessments	-	-	3,052	27,099	68,096	2,044
Other governments	-	-	13,281	118,383	9,869	5,721
Restricted cash and cash equivalents	-	-	-	-	-	-
Total current assets	<u>737,928</u>	<u>1,059,954</u>	<u>145,650</u>	<u>1,014,042</u>	<u>100,547</u>	<u>26,129</u>
Total assets	<u>\$ 737,928</u>	<u>\$ 1,059,954</u>	<u>\$ 145,650</u>	<u>\$ 1,014,042</u>	<u>\$ 100,547</u>	<u>\$ 26,129</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ -	\$ -	\$ 3,030	\$ 13,386	\$ -	\$ -
Payroll payable	-	-	-	12,199	-	-
Due to other City funds	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>3,030</u>	<u>25,585</u>	<u>-</u>	<u>-</u>
Deferred inflows of resources:						
Deferred inflows of tax revenues	-	-	-	-	-	-
Deferred inflows of special assessments	<u>-</u>	<u>-</u>	<u>3,052</u>	<u>27,099</u>	<u>68,096</u>	<u>2,044</u>
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>3,052</u>	<u>27,099</u>	<u>68,096</u>	<u>2,044</u>
Fund balances:						
Nonspendable	-	-	-	-	-	-
Restricted	-	1,059,954	-	-	-	-
Committed	737,928	-	139,568	961,358	32,451	24,085
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>737,928</u>	<u>1,059,954</u>	<u>139,568</u>	<u>961,358</u>	<u>32,451</u>	<u>24,085</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 737,928</u>	<u>\$ 1,059,954</u>	<u>\$ 145,650</u>	<u>\$ 1,014,042</u>	<u>\$ 100,547</u>	<u>\$ 26,129</u>

(continued)

See the Independent Auditors' Report.

CITY OF LIVINGSTON, MONTANA
COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2023

	Special Revenue Funds			
	Parks Department	Law Enforcement	Gas Tax Apportionment	Total
ASSETS				
Current assets				
Cash and cash equivalents	\$ 66,156	\$ 3,692	\$ 371,232	\$ 4,398,727
Receivables				
Property taxes	-	-	-	35,616
Customers, net	-	-	-	3,673
Other	-	-	-	737,012
Special assessments	-	-	-	100,291
Other governments	-	-	-	733,673
Restricted cash and cash equivalents	-	-	-	162,175
Total current assets	<u>66,156</u>	<u>3,692</u>	<u>371,232</u>	<u>6,171,167</u>
Total assets	<u><u>\$ 66,156</u></u>	<u><u>\$ 3,692</u></u>	<u><u>\$ 371,232</u></u>	<u><u>\$ 6,171,167</u></u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ -	\$ 3,279	\$ 308	\$ 45,436
Payroll payable	-	-	-	57,501
Due to other City funds	-	-	-	171,215
Total liabilities	<u>-</u>	<u>3,279</u>	<u>308</u>	<u>274,152</u>
Deferred inflows of resources:				
Deferred inflows of tax revenues	-	-	-	35,616
Deferred inflows of special assessments	<u>-</u>	<u>-</u>	<u>-</u>	<u>100,291</u>
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>135,907</u>
Fund balances:				
Nonspendable	-	-	-	-
Restricted	-	-	370,924	1,593,378
Committed	66,156	413	-	4,167,730
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>66,156</u>	<u>413</u>	<u>370,924</u>	<u>5,761,108</u>
Total liabilities, deferred inflows of resources and fund balances	<u><u>\$ 66,156</u></u>	<u><u>\$ 3,692</u></u>	<u><u>\$ 371,232</u></u>	<u><u>\$ 6,171,167</u></u>

(continued)

See the Independent Auditors' Report.

CITY OF LIVINGSTON, MONTANA
COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2023

	Debt Service Funds				
	2016 Fire Truck GO Bonds	2000 Fire Truck GO Bonds	West End Tax Increment District	S.I.D. Revolving	S.I.D. 179
ASSETS					
Current assets					
Cash and cash equivalents	\$ 19,407	\$ 5,538	\$ 128,207	\$ 67,037	\$ 28,701
Receivables					
Property taxes	1,095	14	-	-	-
Customers, net	-	-	-	-	-
Other	-	-	-	-	-
Special assessments	-	-	-	-	58,313
Other governments	4,721	1	43,159	-	8,089
Due from other City funds	-	-	-	-	-
Restricted cash and cash equivalents	-	-	-	-	-
Total current assets	<u>25,223</u>	<u>5,553</u>	<u>171,366</u>	<u>67,037</u>	<u>95,103</u>
Total assets	<u><u>\$ 25,223</u></u>	<u><u>5,553</u></u>	<u><u>\$ 171,366</u></u>	<u><u>\$ 67,037</u></u>	<u><u>\$ 95,103</u></u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Payroll payable	-	-	-	-	-
Due to other City funds	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred inflows of resources:					
Deferred inflows of tax revenues	1,095	14	-	-	-
Deferred inflows of special assessments	-	-	-	-	58,313
Total deferred inflows of resources	<u>1,095</u>	<u>14</u>	<u>-</u>	<u>-</u>	<u>58,313</u>
Fund balances:					
Nonspendable	-	-	-	-	-
Restricted	24,128	5,539	171,366	67,037	-
Committed	-	-	-	-	36,790
Unassigned	-	-	-	-	-
Total fund balances	<u>24,128</u>	<u>5,539</u>	<u>171,366</u>	<u>67,037</u>	<u>36,790</u>
Total liabilities, deferred inflows of resources and fund balances	<u><u>\$ 25,223</u></u>	<u><u>\$ 5,553</u></u>	<u><u>\$ 171,366</u></u>	<u><u>\$ 67,037</u></u>	<u><u>\$ 95,103</u></u>

(continued)

CITY OF LIVINGSTON, MONTANA
COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2023

	Debt Service Funds		
	S.I.D. 180	S.I.D. 181	Total
ASSETS			
Current assets			
Cash and cash equivalents	\$ 4,383	\$ 16,999	\$ 270,272
Receivables			
Property taxes	-	-	1,109
Customers, net	-	-	-
Other	-	-	-
Special assessments	-	849,932	908,245
Other governments	542	-	56,512
Due from other City funds	-	-	-
Restricted cash and cash equivalents	-	-	-
Total current assets	<u>4,925</u>	<u>866,931</u>	<u>1,236,138</u>
Total assets	<u><u>\$ 4,925</u></u>	<u><u>\$ 866,931</u></u>	<u><u>\$ 1,236,138</u></u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ -	\$ -	\$ -
Payroll payable	-	-	-
Due to other City funds	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>
Deferred inflows of resources:			
Deferred inflows of tax revenues	-	-	1,109
Deferred inflows of special assessments	-	849,932	908,245
Total deferred inflows of resources	<u>-</u>	<u>849,932</u>	<u>909,354</u>
Fund balances:			
Nonspendable	-	-	-
Restricted	-	-	268,070
Committed	4,925	16,999	58,714
Unassigned	-	-	-
Total fund balances	<u>4,925</u>	<u>16,999</u>	<u>326,784</u>
Total liabilities, deferred inflows of resources and fund balances	<u><u>\$ 4,925</u></u>	<u><u>\$ 866,931</u></u>	<u><u>\$ 1,236,138</u></u>

(continued)

CITY OF LIVINGSTON, MONTANA
COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2023

	Capital Project Funds			
	Capital Improvements	Library Extension	Railroad Underpass	Total
ASSETS				
Current assets				
Cash and cash equivalents	\$ 119,314	\$ 25,527	\$ 515	\$ 145,356
Receivables				
Property taxes	-	-	-	-
Customers, net	-	-	-	-
Other	-	-	-	-
Special assessments	-	-	-	-
Other governments	-	-	-	-
Due from other City funds	-	-	-	-
Restricted cash and cash equivalents	-	-	-	-
Total current assets	<u>119,314</u>	<u>25,527</u>	<u>515</u>	<u>145,356</u>
Total assets	<u><u>\$ 119,314</u></u>	<u><u>\$ 25,527</u></u>	<u><u>\$ 515</u></u>	<u><u>\$ 145,356</u></u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Payroll payable	-	-	-	-
Due to other City funds	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred inflows of resources:				
Deferred inflows of tax revenues	-	-	-	-
Deferred inflows of special assessments	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:				
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Committed	119,314	25,527	515	145,356
Unassigned	-	-	-	-
Total fund balances	<u>119,314</u>	<u>25,527</u>	<u>515</u>	<u>145,356</u>
Total liabilities, deferred inflows of resources and fund balances	<u><u>\$ 119,314</u></u>	<u><u>\$ 25,527</u></u>	<u><u>\$ 515</u></u>	<u><u>\$ 145,356</u></u>

(continued)

CITY OF LIVINGSTON, MONTANA
COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2023

	<u>Permanent Fund</u>	
	<u>Perpetual Cemetery Care</u>	<u>Total Nonmajor Governmental Funds</u>
ASSETS		
Current assets		
Cash and cash equivalents	\$ 258,121	\$ 5,072,476
Receivables		
Property taxes	-	36,725
Customers, net	-	3,673
Other	-	737,012
Special assessments	-	1,008,536
Other governments	-	790,185
Due from other City funds	-	-
Restricted cash and cash equivalents	-	162,175
	<u>258,121</u>	<u>7,810,782</u>
Total current assets		
	<u>\$ 258,121</u>	<u>\$ 7,810,782</u>
Total assets		
	<u>\$ 258,121</u>	<u>\$ 7,810,782</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES		
Liabilities:		
Accounts payable	\$ -	\$ 45,436
Payroll payable	-	57,501
Due to other City funds	-	171,215
	<u>-</u>	<u>274,152</u>
Total liabilities		
Deferred inflows of resources:		
Deferred inflows of tax revenues	-	36,725
Deferred inflows of special assessments	-	1,008,536
	<u>-</u>	<u>1,045,261</u>
Total deferred inflows of resources		
Fund balances:		
Nonspendable	258,121	258,121
Restricted	-	1,861,448
Committed	-	4,371,800
Unassigned	-	-
	<u>258,121</u>	<u>6,491,369</u>
Total fund balances		
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 258,121</u>	<u>\$ 7,810,782</u>

See the Independent Auditors' Report.

CITY OF LIVINGSTON, MONTANA
NONMAJOR FUNDS - SPECIAL REVENUE
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
Year Ended June 30, 2023

	Comprehensive Liability Insurance	Library	Emergency/ Disaster	Dispatch/ Communication	Tax Increment District Downtown	Permissive Medical Levy
REVENUES						
Taxes	\$ 544	\$ 130,103	\$ 37,244	\$ -	\$ 600,461	\$ 456,099
Special assessments	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	607,289	315,950	513	49,425	-
Charges for services	-	5,657	-	413,614	-	-
Fines and forfeitures	-	524	-	-	-	-
Interest on investments	127	3,882	(310)	187	6,759	1,661
Other	-	1,008	-	-	-	-
Total revenues	<u>671</u>	<u>748,463</u>	<u>352,884</u>	<u>414,314</u>	<u>656,645</u>	<u>457,760</u>
EXPENDITURES						
Current						
General government	-	-	274,106	-	106,823	-
Public safety	-	-	-	844,843	-	-
Public works	-	-	-	-	-	-
Culture and recreation	-	698,622	-	-	-	-
Capital outlay	-	7,601	-	17,440	-	-
Debt service						
Principal payments	-	-	-	-	102,072	-
Interest and fiscal fees	-	-	-	-	58,503	-
Total expenditures	<u>-</u>	<u>706,223</u>	<u>274,106</u>	<u>862,283</u>	<u>267,398</u>	<u>-</u>
Revenues over (under) expenditures	<u>671</u>	<u>42,240</u>	<u>78,778</u>	<u>(447,969)</u>	<u>389,247</u>	<u>457,760</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	473,941	-	-
Transfers out	-	-	-	-	-	(451,186)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>473,941</u>	<u>-</u>	<u>(451,186)</u>
Net change in fund balance	671	42,240	78,778	25,972	389,247	6,574
FUND BALANCE - beginning of year	<u>21,060</u>	<u>776,337</u>	<u>(4,835)</u>	<u>59,551</u>	<u>933,990</u>	<u>38,686</u>
FUND BALANCE - end of year	<u>\$ 21,731</u>	<u>\$ 818,577</u>	<u>\$ 73,943</u>	<u>\$ 85,523</u>	<u>\$ 1,323,237</u>	<u>\$ 45,260</u>

(continued)

See the Independent Auditors' Report.

CITY OF LIVINGSTON, MONTANA
NONMAJOR FUNDS - SPECIAL REVENUE (CONTINUED)
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
Year Ended June 30, 2023

	CDBG Economic Development Revolving	Impact Fees	S.I.D. Lighting	Street Maintenance	Sidewalks	Business Improvement District
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	142,958	1,266,810	64,468	45,941
Licenses and permits	-	-	-	10,794	-	-
Intergovernmental	-	-	-	405	-	-
Charges for services	-	235,929	-	847	-	-
Fines and forfeitures	-	-	-	-	-	-
Interest on investments	2,859	5,506	590	3,743	97	76
Other	-	-	-	2,711	-	-
Total revenues	<u>2,859</u>	<u>241,435</u>	<u>143,548</u>	<u>1,285,310</u>	<u>64,565</u>	<u>46,017</u>
EXPENDITURES						
Current						
General government	1,201	-	-	-	-	45,622
Public safety	-	-	68,900	-	-	-
Public works	-	-	-	858,554	-	-
Culture and recreation	-	-	-	-	-	-
Capital outlay	-	25,372	77,641	137,520	-	-
Debt service						
Principal payments	-	-	-	119,177	-	-
Interest and fiscal fees	-	-	-	6,239	-	-
Total expenditures	<u>1,201</u>	<u>25,372</u>	<u>146,541</u>	<u>1,121,490</u>	<u>-</u>	<u>45,622</u>
Revenues over (under) expenditures	<u>1,658</u>	<u>216,063</u>	<u>(2,993)</u>	<u>163,820</u>	<u>64,565</u>	<u>395</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	47,166	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>47,166</u>	<u>-</u>	<u>-</u>
Net change in fund balances	1,658	216,063	(2,993)	210,986	64,565	395
FUND BALANCE - beginning of year	<u>736,270</u>	<u>843,891</u>	<u>142,561</u>	<u>750,372</u>	<u>(32,114)</u>	<u>23,690</u>
FUND BALANCE - end of year	<u><u>\$ 737,928</u></u>	<u><u>\$ 1,059,954</u></u>	<u><u>\$ 139,568</u></u>	<u><u>\$ 961,358</u></u>	<u><u>\$ 32,451</u></u>	<u><u>\$ 24,085</u></u>

(continued)

See the Independent Auditors' Report.

CITY OF LIVINGSTON, MONTANA
NONMAJOR FUNDS - SPECIAL REVENUE (CONTINUED)
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
Year Ended June 30, 2023

	<u>Parks Department</u>	<u>Law Enforcement</u>	<u>Gas Tax Apportionment</u>	<u>Special Revenue Totals</u>
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ 1,224,451
Special assessments	-	-	-	1,520,177
Licenses and permits	-	-	-	10,794
Intergovernmental	-	-	345,720	1,319,302
Charges for services	-	-	50	656,097
Fines and forfeitures	-	-	-	524
Interest on investments	391	24	1,921	27,513
Other	-	-	-	3,719
	<u>391</u>	<u>24</u>	<u>347,691</u>	<u>4,762,577</u>
Total revenues	<u>391</u>	<u>24</u>	<u>347,691</u>	<u>4,762,577</u>
EXPENDITURES				
Current				
General government	-	-	-	427,752
Public safety	-	6,170	-	919,913
Public works	-	-	150,020	1,008,574
Culture and recreation	5,052	-	-	703,674
Capital outlay	-	-	-	265,574
Debt service				
Principal payments	-	-	-	221,249
Interest and fiscal fees	-	-	-	64,742
	<u>5,052</u>	<u>6,170</u>	<u>150,020</u>	<u>3,611,478</u>
Total expenditures	<u>5,052</u>	<u>6,170</u>	<u>150,020</u>	<u>3,611,478</u>
Revenues over (under) expenditures	<u>(4,661)</u>	<u>(6,146)</u>	<u>197,671</u>	<u>1,151,099</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	521,107
Transfers out	-	-	-	(451,186)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>69,921</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>69,921</u>
Net change in fund balance	(4,661)	(6,146)	197,671	1,221,020
FUND BALANCE - beginning of year	<u>70,817</u>	<u>6,559</u>	<u>173,253</u>	<u>4,540,088</u>
FUND BALANCE - end of year	<u><u>\$ 66,156</u></u>	<u><u>\$ 413</u></u>	<u><u>\$ 370,924</u></u>	<u><u>\$ 5,761,108</u></u>

(continued)

See the Independent Auditors' Report.

CITY OF LIVINGSTON, MONTANA
NONMAJOR GOVERNMENTAL FUNDS - DEBT SERVICE
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
Year Ended June 30, 2023

	2016 Fire Truck GO Bonds	2000 Fire Truck GO Bonds	West End Tax Increment District	S.I.D. Revolving	S.I.D. 179
REVENUES					
Taxes	\$ 47,697	\$ 208	\$ 166,274	\$ -	\$ -
Special assessments	-	-	-	-	29,837
Licenses and permits	-	-	-	-	-
Intergovernmental	-	-	15,016	-	-
Charges for services	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-
Interest on investments	203	31	2,991	142	230
Other	-	-	-	-	-
Total revenues	<u>47,900</u>	<u>239</u>	<u>184,281</u>	<u>142</u>	<u>30,067</u>
EXPENDITURES					
Current					
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Public works	-	-	483,000	-	-
Culture and recreation	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service					
Principal payments	31,775	-	69,000	-	30,000
Interest and fiscal fees	17,519	-	7,312	-	3,244
Total expenditures	<u>49,294</u>	<u>-</u>	<u>559,312</u>	<u>-</u>	<u>33,244</u>
Revenues over (under) expenditures	<u>(1,394)</u>	<u>239</u>	<u>(375,031)</u>	<u>142</u>	<u>(3,177)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	42,497	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>42,497</u>	<u>-</u>
Net change in fund balance	(1,394)	239	(375,031)	42,639	(3,177)
FUND BALANCE - beginning of year	<u>25,522</u>	<u>5,300</u>	<u>546,397</u>	<u>24,398</u>	<u>39,967</u>
FUND BALANCE - end of year	<u>\$ 24,128</u>	<u>\$ 5,539</u>	<u>\$ 171,366</u>	<u>\$ 67,037</u>	<u>\$ 36,790</u>

(continued)

See the Independent Auditors' Report.

CITY OF LIVINGSTON, MONTANA
NONMAJOR GOVERNMENTAL FUNDS - DEBT SERVICE (CONTINUED)
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
Year Ended June 30, 2023

	<u>S.I.D. 180</u>	<u>S.I.D. 181</u>	<u>Debt Service Totals</u>
REVENUES			
Taxes	\$ -	\$ -	\$ 214,179
Special assessments	3,205	-	33,042
Licenses and permits	-	-	-
Intergovernmental	-	-	15,016
Charges for services	-	-	-
Fines and forfeitures	-	-	-
Interest on investments	19	-	3,616
Other	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues	<u>3,224</u>	<u>-</u>	<u>265,853</u>
EXPENDITURES			
Current			
General government	-	-	-
Public safety	-	-	-
Public works	-	-	483,000
Culture and recreation	-	-	-
Capital outlay	-	-	-
Debt service			
Principal payments	-	-	130,775
Interest and fiscal fees	-	-	28,075
	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>-</u>	<u>-</u>	<u>641,850</u>
Revenues over (under) expenditures	<u>3,224</u>	<u>-</u>	<u>(375,997)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	-	16,999	59,496
Transfers out	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>16,999</u>	<u>59,496</u>
Net change in fund balance	3,224	16,999	(316,501)
FUND BALANCE - beginning of year	<u>1,701</u>	<u>-</u>	<u>643,285</u>
FUND BALANCE - end of year	<u>\$ 4,925</u>	<u>\$ 16,999</u>	<u>\$ 326,784</u>

(continued)

See the Independent Auditors' Report.

CITY OF LIVINGSTON, MONTANA
NONMAJOR GOVERNMENTAL FUNDS - CAPITAL PROJECTS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
Year Ended June 30, 2023

	<u>Capital Improvements</u>	<u>Library Extension</u>	<u>Railroad Underpass</u>	<u>Capital Projects Totals</u>
REVENUES				
Taxes	\$ -	\$ -	\$ 499	\$ 499
Special assessments	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Interest on investments	695	149	3	847
Other	-	-	-	-
	<u>695</u>	<u>149</u>	<u>502</u>	<u>1,346</u>
Total revenues	<u>695</u>	<u>149</u>	<u>502</u>	<u>1,346</u>
EXPENDITURES				
Current				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal payments	-	-	-	-
Interest and fiscal fees	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues over (under) expenditures	<u>695</u>	<u>149</u>	<u>502</u>	<u>1,346</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	695	149	502	1,346
FUND BALANCE - beginning of year	<u>118,619</u>	<u>25,378</u>	<u>13</u>	<u>144,010</u>
FUND BALANCE - end of year	<u><u>\$ 119,314</u></u>	<u><u>\$ 25,527</u></u>	<u><u>\$ 515</u></u>	<u><u>\$ 145,356</u></u>

(continued)

See the Independent Auditors' Report.

CITY OF LIVINGSTON, MONTANA
NONMAJOR GOVERNMENTAL FUNDS - PERMANENT FUND
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
Year Ended June 30, 2023

	<u>Perpetual Cemetery Care</u>	<u>Total Nonmajor Governmental Funds</u>
REVENUES		
Taxes	\$ -	\$ 1,439,129
Special assessments	-	1,553,219
Licenses and permits	-	10,794
Intergovernmental	-	1,334,318
Charges for services	5,487	661,584
Fines and forfeitures	-	524
Interest on investments	1,481	33,457
Other	-	3,719
	<u>6,968</u>	<u>5,036,744</u>
Total revenues		
EXPENDITURES		
Current		
General government	-	427,752
Public safety	-	919,913
Public works	-	1,491,574
Culture and recreation	-	703,674
Capital outlay	-	265,574
Debt service		
Principal payments	-	352,024
Interest and fiscal fees	-	92,817
	<u>-</u>	<u>4,253,328</u>
Total expenditures		
Revenues over (under) expenditures	<u>6,968</u>	<u>783,416</u>
OTHER FINANCING SOURCES (USES)		
Transfers in	-	580,603
Transfers out	(1,481)	(452,667)
	<u>(1,481)</u>	<u>127,936</u>
Total other financing sources (uses)		
Net change in fund balance	5,487	911,352
FUND BALANCE - beginning of year	<u>252,634</u>	<u>5,580,017</u>
FUND BALANCE - end of year	<u><u>\$ 258,121</u></u>	<u><u>\$ 6,491,369</u></u>

See the Independent Auditors' Report.

BUDGET TO ACTUAL SCHEDULES – OTHER MAJOR FUNDS

CITY OF LIVINGSTON, MONTANA
BUDGETARY COMPARISON SCHEDULE - OTHER MAJOR FUNDS
REGIONAL SEWER CAPITAL IMPROVEMENT FUND
Year Ended June 30, 2023

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive (Negative)
Budgetary fund balance, July 1	\$ -	\$ -	\$ -	\$ -
Resources (inflows):				
Taxes	-	-	-	-
Special assessments	-	432,839	432,839	-
Licenses and permits	-	-	-	-
Intergovernmental	-	2,000,000	1,997,413	(2,587)
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Proceeds from long-term debt	-	849,932	849,932	-
Interest on investments	-	-	(509)	(509)
Transfers from other funds	-	-	-	-
Other	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Amounts available for appropriation	-	3,282,771	3,279,675	(3,096)
	<hr/>	<hr/>	<hr/>	<hr/>
Charges to appropriations (outflows):				
Current				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	53,751	53,751	-
Public health	-	-	-	-
Culture and recreation	-	-	-	-
Capital outlay	-	2,303,700	2,303,700	-
Debt service	-	-	-	-
Transfers to other funds	-	-	59,495	(59,495)
	<hr/>	<hr/>	<hr/>	<hr/>
Total charges to appropriations	-	2,357,451	2,416,946	(59,495)
	<hr/>	<hr/>	<hr/>	<hr/>
Budgetary fund balance, June 30	<u>\$ -</u>	<u>\$ 925,320</u>	<u>\$ 862,729</u>	<u>\$ (62,591)</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, 2023**

	<u>Regional Sewer</u>
Sources/inflows of resources	
Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule	\$ 3,279,675
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.	-
Transfers from other funds are inflows of budgetary resources but are not <i>revenues</i> for financial reporting purposes.	-
The proceeds from the issuance of long-term debt are budgetary resources but are not <i>revenues</i> for financial reporting purposes.	<u>(849,932)</u>
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u><u>\$ 2,429,743</u></u>
 Uses/outflows of resources	
Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	\$ 2,416,946
Differences - budget to GAAP:	
Transfers to other funds are outflows of budgetary resources but are not <i>expenditures</i> for financial reporting purposes.	<u>(59,495)</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u><u>\$ 2,357,451</u></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, 2023

	Comprehensive Liability Insurance			Library		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Taxes	\$ -	544	544	\$ 130,371	130,103	(268)
Special assessments	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	505,871	607,289	101,418
Charges for services	-	-	-	450	5,657	5,207
Fines and forfeitures	-	-	-	-	524	524
Interest on investments	-	127	127	200	3,882	3,682
Other	-	-	-	1,000	1,008	8
Total revenues	-	671	671	637,892	748,463	110,571
EXPENDITURES - BUDGET UNIT	-	-	-	777,952	706,223	71,729
Revenues over (under) expenditures	-	671	671	(140,060)	42,240	182,300
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	-	-
Transfers out	(21,000)	-	21,000	-	-	-
Total other financing sources (uses)	(21,000)	-	21,000	-	-	-
Revenues and other sources over (under) expenditures	<u>(21,000)</u>	671	<u>21,671</u>	<u>(140,060)</u>	42,240	<u>182,300</u>
FUND BALANCE - beginning of year		<u>21,060</u>			<u>776,337</u>	
FUND BALANCE - end of year		<u>\$ 21,731</u>			<u>\$ 818,577</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, 2023**

	Emergency/Disaster			Dispatch/Communications		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Taxes	\$ 37,244	37,244	-	\$ -	-	-
Special assessments	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	315,950	315,950	-	-	513	513
Charges for services	-	-	-	410,289	413,614	3,325
Fines and forfeitures	-	-	-	-	-	-
Interest on investments	-	(310)	(310)	100	187	87
Other	-	-	-	-	-	-
Total revenues	<u>353,194</u>	<u>352,884</u>	<u>(310)</u>	<u>410,389</u>	<u>414,314</u>	<u>3,925</u>
EXPENDITURES - BUDGET UNIT	<u>274,106</u>	<u>274,106</u>	<u>-</u>	<u>890,695</u>	<u>862,283</u>	<u>28,412</u>
Revenues over (under) expenditures	<u>79,088</u>	<u>78,778</u>	<u>(310)</u>	<u>(480,306)</u>	<u>(447,969)</u>	<u>32,337</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	482,407	473,941	(8,466)
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>482,407</u>	<u>473,941</u>	<u>(8,466)</u>
Revenues and other sources over (under) expenditures	<u><u>79,088</u></u>	<u><u>78,778</u></u>	<u><u>(310)</u></u>	<u><u>2,101</u></u>	<u><u>25,972</u></u>	<u><u>23,871</u></u>
FUND BALANCE - beginning of year		<u>(4,835)</u>			<u>59,551</u>	
FUND BALANCE - end of year		<u><u>\$ 73,943</u></u>			<u><u>\$ 85,523</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, 2023**

	Tax Increment District			Permissive Medical Levy		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Taxes	\$ 592,164	600,461	8,297	\$ 487,210	456,099	(31,111)
Special assessments	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	40,967	49,425	8,458	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-
Interest on investments	50	6,759	6,709	150	1,661	1,511
Other	-	-	-	-	-	-
Total revenues	<u>633,181</u>	<u>656,645</u>	<u>23,464</u>	<u>487,360</u>	<u>457,760</u>	<u>(29,600)</u>
EXPENDITURES - BUDGET UNIT	<u>660,025</u>	<u>267,398</u>	<u>392,627</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues over (under) expenditures	<u>(26,844)</u>	<u>389,247</u>	<u>416,091</u>	<u>487,360</u>	<u>457,760</u>	<u>(29,600)</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	(487,300)	(451,186)	36,114
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(487,300)</u>	<u>(451,186)</u>	<u>36,114</u>
Revenues and other sources over (under) expenditures	<u>(26,844)</u>	<u>389,247</u>	<u>416,091</u>	<u>60</u>	<u>6,574</u>	<u>6,514</u>
FUND BALANCE - beginning of year		<u>933,990</u>			<u>38,686</u>	
FUND BALANCE - end of year		<u>\$ 1,323,237</u>			<u>\$ 45,260</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, 2023**

	CDBG Economic Development Revolving			Impact Fees		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Taxes	\$ -	-	-	\$ -	-	-
Special assessments	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	237,145	235,929	(1,216)
Fines and forfeitures	-	-	-	-	-	-
Interest on investments	12,300	2,859	(9,441)	500	5,506	5,006
Other	-	-	-	-	-	-
Total revenues	<u>12,300</u>	<u>2,859</u>	<u>(9,441)</u>	<u>237,645</u>	<u>241,435</u>	<u>3,790</u>
EXPENDITURES - BUDGET UNIT	<u>14,000</u>	<u>1,201</u>	<u>12,799</u>	<u>1,127,000</u>	<u>25,372</u>	<u>1,101,628</u>
Revenues over (under) expenditures	<u>(1,700)</u>	<u>1,658</u>	<u>3,358</u>	<u>(889,355)</u>	<u>216,063</u>	<u>1,105,418</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues and other sources over (under) expenditures	<u>(1,700)</u>	<u>1,658</u>	<u>3,358</u>	<u>(889,355)</u>	<u>216,063</u>	<u>1,105,418</u>
FUND BALANCE - beginning of year		<u>736,270</u>			<u>843,891</u>	
FUND BALANCE - end of year		<u>\$ 737,928</u>			<u>\$ 1,059,954</u>	

(continued)

See the Independent Auditors' Report.

CITY OF LIVINGSTON, MONTANA
SPECIAL REVENUE FUNDS (CONTINUED)
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL
Year Ended June 30, 2023

	S.I.D Lighting			Street Maintenance		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Taxes	\$ -	-	-	\$ -	\$ -	-
Special assessments	149,885	142,958	(6,927)	1,325,653	1,266,810	(58,843)
Licenses and permits	-	-	-	10,000	10,794	794
Intergovernmental	-	-	-	-	405	405
Charges for services	-	-	-	500	847	347
Fines and forfeitures	-	-	-	-	-	-
Interest on investments	250	590	340	200	3,743	3,543
Other	-	-	-	2,500	2,711	211
Total revenues	<u>150,135</u>	<u>143,548</u>	<u>(6,587)</u>	<u>1,338,853</u>	<u>1,285,310</u>	<u>(53,543)</u>
EXPENDITURES - BUDGET UNIT	<u>150,750</u>	<u>146,541</u>	<u>4,209</u>	<u>1,345,619</u>	<u>1,121,490</u>	<u>224,129</u>
Revenues over (under) expenditures	<u>(615)</u>	<u>(2,993)</u>	<u>(2,378)</u>	<u>(6,766)</u>	<u>163,820</u>	<u>170,586</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	52,385	47,166	(5,219)
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>52,385</u>	<u>47,166</u>	<u>(5,219)</u>
Revenues and other sources over (under) expenditures	<u>(615)</u>	<u>(2,993)</u>	<u>(2,378)</u>	<u>45,619</u>	<u>210,986</u>	<u>165,367</u>
FUND BALANCE - beginning of year		<u>142,561</u>			<u>750,372</u>	
FUND BALANCE - end of year		<u>\$ 139,568</u>			<u>\$ 961,358</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, 2023

	Sidewalks			Business Improvement District		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Taxes	\$ -	-	-	\$ -	-	-
Special assessments	60,545	64,468	3,923	44,150	45,941	1,791
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-
Interest on investments	-	97	97	-	76	76
Other	-	-	-	-	-	-
Total revenues	60,545	64,565	4,020	44,150	46,017	1,867
EXPENDITURES - BUDGET						
UNIT	-	-	-	47,000	45,622	1,378
Revenues over (under) expenditures	60,545	64,565	4,020	(2,850)	395	3,245
OTHER FINANCING SOURCES						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources	-	-	-	-	-	-
Revenues and other sources over (under) expenditures	60,545	64,565	4,020	(2,850)	395	3,245
FUND BALANCE -						
beginning of year		(32,114)			23,690	
FUND BALANCE -						
end of year		\$ 32,451			\$ 24,085	

(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, 2023

	Parks Department			Law Enforcement		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Taxes	\$ -	-	-	\$ -	-	-
Special assessments	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-
Interest on investments	-	391	391	20	24	4
Other	-	-	-	-	-	-
Total revenues	-	391	391	20	24	4
EXPENDITURES - BUDGET						
UNIT	70,790	5,052	65,738	6,592	6,170	422
Revenues over (under) expenditures	(70,790)	(4,661)	66,129	(6,572)	(6,146)	426
OTHER FINANCING SOURCES						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources	-	-	-	-	-	-
Revenues and other sources over (under) expenditures	<u>(70,790)</u>	<u>(4,661)</u>	<u>66,129</u>	<u>(6,572)</u>	<u>(6,146)</u>	<u>426</u>
FUND BALANCE - beginning of year		70,817			6,559	
FUND BALANCE - end of year		<u>\$ 66,156</u>			<u>\$ 413</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, 2023

	Gas Tax Apportionment			Total		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Taxes	\$ -	-	-	\$ 1,246,989	1,224,451	(22,538)
Special assessments	-	-	-	1,580,233	1,520,177	(60,056)
Licenses and permits	-	-	-	10,000	10,794	794
Intergovernmental	507,896	345,720	(162,176)	1,370,684	1,319,302	(51,382)
Charges for services	150	50	(100)	648,534	656,097	7,563
Fines and forfeitures	-	-	-	-	524	524
Interest on investments	100	1,921	1,821	13,870	27,513	13,643
Other	-	-	-	3,500	3,719	219
Total revenues	508,146	347,691	(160,455)	4,873,810	4,762,577	(111,233)
EXPENDITURES - BUDGET UNIT	534,396	150,020	384,376	5,898,925	3,611,478	2,287,447
Revenues over (under) expenditures	(26,250)	197,671	223,921	(1,025,115)	1,151,099	2,176,214
OTHER FINANCING SOURCES						
Transfers in	-	-	-	534,792	521,107	(13,685)
Transfers out	-	-	-	(508,300)	(451,186)	57,114
Total other financing sources	-	-	-	26,492	69,921	43,429
Revenues and other sources over (under) expenditures	<u>(26,250)</u>	<u>197,671</u>	<u>223,921</u>	<u>(998,623)</u>	<u>1,221,020</u>	<u>2,219,643</u>
FUND BALANCE - beginning of year		173,253			4,540,088	
FUND BALANCE - end of year		<u>\$ 370,924</u>			<u>\$ 5,761,108</u>	

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, 2023

	2016 Fire Truck GO Bonds			2000 Fire Truck GO Bonds		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
Taxes	\$ 51,224	47,697	(3,527)	\$ -	208	208
Special assessments	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Interest on investments	25	203	178	-	31	31
Other	-	-	-	-	-	-
Total revenue	<u>51,249</u>	<u>47,900</u>	<u>(3,349)</u>	<u>-</u>	<u>239</u>	<u>239</u>
EXPENDITURES						
Current - General Government	-	-	-	-	-	-
Debt service						
Principal	30,000	31,775	(1,775)	-	-	-
Interest and fiscal fees	<u>19,294</u>	<u>17,519</u>	<u>1,775</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>49,294</u>	<u>49,294</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues over (under) expenditures	<u>1,955</u>	<u>(1,394)</u>	<u>(3,349)</u>	<u>-</u>	<u>239</u>	<u>239</u>
OTHER FINANCING SOURCES (USES)						
Operating transfers in	-	-	-	-	-	-
Operating 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><u>1,955</u></u>	<u><u>(1,394)</u></u>	<u><u>(3,349)</u></u>	<u><u>-</u></u>	<u><u>239</u></u>	<u><u>239</u></u>
FUND BALANCE - beginning of year		<u>25,522</u>			<u>5,300</u>	
FUND BALANCE - end of year		<u><u>\$ 24,128</u></u>			<u><u>\$ 5,539</u></u>	

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, 2023

	West End Tax Increment District			S.I.D. Revolving		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
Taxes	\$ 155,000	166,274	11,274	\$ -	-	-
Special assessments	-	-	-	-	-	-
Intergovernmental	13,189	15,016	1,827	-	-	-
Interest on investments	1,000	2,991	1,991	50	142	92
Other	-	-	-	-	-	-
Total revenue	<u>169,189</u>	<u>184,281</u>	<u>15,092</u>	<u>50</u>	<u>142</u>	<u>92</u>
EXPENDITURES						
Current - General Government	483,000	-	483,000	-	-	-
Debt service						
Principal	69,000	69,000	-	-	-	-
Interest and fiscal fees	<u>7,313</u>	<u>7,312</u>	<u>1</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>559,313</u>	<u>76,312</u>	<u>483,001</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues over (under) expenditures	<u>(390,124)</u>	<u>107,969</u>	<u>498,093</u>	<u>50</u>	<u>142</u>	<u>92</u>
OTHER FINANCING SOURCES (USES)						
Operating transfers in	-	-	-	-	42,497	42,497
Operating 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>42,497</u>	<u>42,497</u>
Revenues and other sources over (under) expenditures and other uses	<u>(390,124)</u>	<u>107,969</u>	<u>498,093</u>	<u>50</u>	<u>42,639</u>	<u>42,589</u>
FUND BALANCE - beginning of year		<u>546,397</u>			<u>24,398</u>	
FUND BALANCE - end of year		<u>\$ 654,366</u>			<u>\$ 67,037</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, 2023

	S.I.D. 179			S.I.D. 180		
	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES						
Taxes	\$ -	-	-	\$ -	-	-
Special assessments	29,836	29,837	1	3,195	3,205	10
Intergovernmental	-	-	-	-	-	-
Interest on investments	20	230	210	-	19	19
Other	-	-	-	-	-	-
Total revenue	<u>29,856</u>	<u>30,067</u>	<u>211</u>	<u>3,195</u>	<u>3,224</u>	<u>29</u>
EXPENDITURES						
Current - General government	-	-	-	-	-	-
Debt service						
Principal	30,000	30,000	-	-	-	-
Interest and fiscal fees	<u>3,244</u>	<u>3,244</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>33,244</u>	<u>33,244</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues over (under) expenditures	<u>(3,388)</u>	<u>(3,177)</u>	<u>211</u>	<u>3,195</u>	<u>3,224</u>	<u>29</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	-	-
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues and other sources over (under) expenditures and other uses	<u>(3,388)</u>	<u>(3,177)</u>	<u>211</u>	<u>3,195</u>	<u>3,224</u>	<u>29</u>
FUND BALANCE - beginning of year		<u>39,967</u>			<u>1,701</u>	
FUND BALANCE - end of year		<u>\$ 36,790</u>			<u>\$ 4,925</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, 2023

	Total		Variance
	Budget	Actual	Positive (Negative)
REVENUES			
Taxes	\$ 206,224	214,179	7,955
Special assessments	33,031	33,042	11
Intergovernmental	13,189	15,016	1,827
Interest on investments	1,095	3,616	2,521
Other	-	-	-
Total revenue	<u>253,539</u>	<u>265,853</u>	<u>12,314</u>
EXPENDITURES			
Current - General government	483,000	-	483,000
Debt service	-	-	-
Principal	129,000	130,775	(1,775)
Interest and fiscal fees	<u>29,851</u>	<u>28,075</u>	<u>1,776</u>
Total expenditures	<u>641,851</u>	<u>158,850</u>	<u>483,001</u>
Revenues over (under) expenditures	<u>(388,312)</u>	<u>107,003</u>	<u>495,315</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	-	42,497	42,497
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>42,497</u>	<u>42,497</u>
Revenues and other sources over (under) expenditures and other uses	<u>(388,312)</u>	<u>149,500</u>	<u>537,812</u>
FUND BALANCE - beginning of year		<u>643,285</u>	
FUND BALANCE - end of year		<u>\$ 792,785</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, 2023

	Capital Improvements			Library Extension		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Taxes	\$ -	-	-	\$ -	-	-
Interest on investments	50	695	645	50	149	99
Total revenue	50	695	645	50	149	99
EXPENDITURES						
Current - General Government	-	-	-	-	-	-
Capital outlay	110,000	-	110,000	25,500	-	25,500
Total expenditures	110,000	-	110,000	25,500	-	25,500
Revenues over (under) expenditures	(109,950)	695	110,645	(25,450)	149	25,599
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Revenues and other sources over (under) expenditures and other uses	(109,950)	695	110,645	(25,450)	149	25,599
FUND BALANCE - beginning of year		118,619			25,378	
FUND BALANCE - end of year		<u>\$ 119,314</u>			<u>\$ 25,527</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, 2023

	Railroad Underpass			Total		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Taxes	\$ -	499	499	\$ -	499	499
Interest on investments	-	3	3	100	847	747
Total revenue	-	502	502	100	1,346	1,246
EXPENDITURES						
Current	-	-	-	-	-	-
Capital outlay	-	-	-	135,500	-	135,500
Total expenditures	-	-	-	135,500	-	135,500
Revenues over (under) expenditures	-	502	502	(135,400)	1,346	136,746
OTHER FINANCING SOURCES (USES)						
Operating transfers in	4,876	-	(4,876)	4,876	-	(4,876)
Operating transfers out	-	-	-	-	-	-
Total other financing sources (uses)	4,876	-	(4,876)	4,876	-	(4,876)
Revenues and other sources over (under) expenditures and other uses	4,876	502	(4,374)	(130,524)	1,346	131,870
FUND BALANCE - beginning of year		13			144,010	
FUND BALANCE - end of year		\$ 515			\$ 145,356	

(continued)

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, 2023

	Cemetery Perpetual Care		
	Budget	Actual	Variance Positive (Negative)
REVENUES			
Taxes	\$ -	-	-
Special assessments	-	-	-
Intergovernmental	-	-	-
Charges for services	2,500	5,487	2,987
Interest on investments	1,500	1,481	(19)
Other	-	-	-
Total revenue	<u>4,000</u>	<u>6,968</u>	<u>2,968</u>
EXPENDITURES			
Current - General government	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Revenues over (under) expenditures	<u>4,000</u>	<u>6,968</u>	<u>2,968</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	-
Transfers out	<u>(1,500)</u>	<u>(1,481)</u>	<u>19</u>
Total other financing sources (uses)	<u>(1,500)</u>	<u>(1,481)</u>	<u>19</u>
Revenues and other sources over (under) expenditures and other uses	<u><u>2,500</u></u>	<u><u>5,487</u></u>	<u><u>2,987</u></u>
FUND BALANCE - beginning of year		<u>252,634</u>	
FUND BALANCE - end of year		<u><u>\$ 258,121</u></u>	

See Independent Auditors' Report.

PART III

STATISTICAL SECTION

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>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Governmental activities										
Net investment in capital assets	\$ 7,917,516	\$ 8,612,168	\$ 10,404,137	\$ 11,464,716	\$ 12,465,450	\$ 12,400,281	\$ 13,341,285	\$ 15,345,052	\$ 15,462,713	\$ 16,834,806
Nonspendable - Cemetery perpetual care	222,258	232,837	235,763	238,636	240,415	241,903	244,878	249,734	252,634	258,121
Restricted - Expendable	-	131	80	80	-	-	-	-	-	-
Restricted for Public Safety	280	281	282	283	-	49,857	49,947	143,084	103,273	168,551
Restricted for Public Works	274,167	384,746	289,583	316,894	328,874	247,207	378,038	587,484	686,373	1,016,576
Restricted for Culture and Recreation	137,058	128,044	118,125	61,865	-	23,572	35,732	144,223	227,498	245,751
Restricted for Debt Service	111,547	563,178	606,564	603,929	650,976	379,710	421,538	485,133	586,719	430,570
Unrestricted - Long-term Receivable	109,463	-	-	-	-	-	-	-	-	-
Unrestricted	3,944,824	117,488	10,063	(873,785)	(1,052,689)	392,182	981,436	1,598,864	2,567,761	5,193,970
Total governmental activities	<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>	<u>\$ 18,553,574</u>	<u>\$ 19,886,971</u>	<u>\$ 24,148,345</u>
Business-type activities										
Net investment in capital assets	15,199,573	15,737,528	16,103,349	15,861,620	18,485,014	19,669,959	20,566,369	20,864,397	20,767,633	21,450,541
Restricted for Debt Service	297,373	297,373	239,538	239,538	522,096	915,764	846,970	846,970	846,970	846,970
Unrestricted	274,064	(726,022)	334,821	1,785,618	1,916,154	1,599,455	1,919,053	2,998,693	4,521,593	5,772,821
Total business-type activities	<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>	<u>\$ 24,710,060</u>	<u>\$ 26,136,196</u>	<u>\$ 28,070,332</u>
Primary government										
Net investment in capital assets	23,117,089	24,349,696	26,507,486	27,326,336	30,950,464	32,070,240	33,907,654	36,209,449	36,230,346	38,285,347
Nonspendable - Cemetery perpetual care	222,258	232,837	235,763	238,636	240,415	241,903	244,878	249,734	252,634	258,121
Restricted - Expendable	-	131	80	80	-	-	-	-	-	-
Restricted for Public Safety	280	281	282	283	-	49,857	49,947	143,084	103,273	168,551
Restricted for Public Works	274,167	384,746	289,583	316,894	328,874	247,207	378,038	587,484	686,373	1,016,576
Restricted for Culture and Recreation	137,058	128,044	118,125	61,865	-	23,572	35,732	144,223	227,498	245,751
Restricted for Debt Service	408,920	860,551	846,102	843,467	1,173,072	1,295,474	1,268,508	1,332,103	1,433,689	1,277,540
Unrestricted - Long-term Receivable	109,463	-	-	-	-	-	-	-	-	-
Unrestricted	4,218,888	(608,534)	344,884	911,833	863,465	1,991,637	2,900,489	4,597,557	7,089,354	10,966,791
Total primary government net position	<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>	<u>\$ 43,263,634</u>	<u>\$ 46,023,167</u>	<u>\$ 52,218,677</u>

Unaudited statistical section.

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

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
EXPENSES										
Governmental activities:										
General government	\$ 1,193,800	\$ 1,766,027	\$ 1,323,636	\$ 1,802,374	\$ 1,440,282	\$ 1,303,482	\$ 1,460,018	\$ 1,856,160	\$ 963,491	\$ 2,376,795
Public safety	3,322,504	3,171,975	3,078,142	3,370,409	3,562,091	3,543,326	3,760,377	4,208,140	4,267,722	4,662,794
Public works	1,075,975	1,445,836	1,504,248	1,586,810	1,580,013	1,876,825	1,633,362	1,515,528	1,802,731	2,459,626
Public health	112,524	108,937	126,097	131,346	118,479	125,179	160,943	125,486	152,965	145,039
Culture and recreation	970,960	1,069,027	1,042,414	1,155,098	1,054,015	1,206,387	1,286,079	1,370,096	1,382,849	1,517,285
Interest on long-term debt	49,771	45,618	42,674	71,621	61,644	128,869	124,641	106,968	97,832	93,490
Total governmental activities expenses	<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>	<u>\$ 9,182,378</u>	<u>\$ 8,667,590</u>	<u>\$ 11,255,029</u>
Business-type activities:										
Water	1,181,411	1,065,013	1,038,601	1,004,783	1,187,183	1,055,021	1,183,508	1,247,605	1,598,260	1,552,837
Wastewater	1,663,023	1,394,283	1,448,739	1,431,250	1,381,741	1,781,063	2,453,140	2,991,845	2,976,356	3,254,278
Solid waste	1,641,254	1,472,662	1,501,176	1,601,584	1,689,330	1,650,419	2,029,699	2,233,394	2,376,470	2,354,421
Ambulance	660,829	661,904	813,205	956,312	1,138,985	1,455,080	1,561,738	1,696,554	1,880,997	2,026,294
Total business-type activities expenses	<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>	<u>8,169,398</u>	<u>8,832,083</u>	<u>9,187,830</u>
Total primary government expenses	<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>	<u><u>\$ 17,351,776</u></u>	<u><u>\$ 17,499,673</u></u>	<u><u>\$ 20,442,859</u></u>
PROGRAM REVENUES										
Governmental activities:										
Charges for Services:										
General government	188,666	195,798	192,165	171,750	193,042	332,778	336,710	486,079	459,772	396,962
Public safety	396,905	471,018	452,286	432,552	430,449	471,663	696,516	530,334	704,045	762,876
Public works	1,278,691	1,404,223	1,356,289	1,365,404	1,387,620	1,526,528	1,350,824	1,257,269	1,621,758	2,694,589
Public health	-	-	-	-	-	-	21,812	22,775	27,680	21,725
Culture and recreation	104,158	96,009	77,683	138,428	115,808	121,467	97,082	186,571	229,443	164,907
Operating grants and contributions	832,410	1,324,873	704,709	720,953	1,132,352	1,300,519	1,806,885	3,111,506	1,327,015	1,540,684
Capital grants and contributions	258,531	181,879	565,561	419,466	149,873	220,266	69,306	406,247	76,146	2,259,750
Total governmental activities program revenues	<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>	<u>\$ 6,000,781</u>	<u>\$ 4,445,859</u>	<u>\$ 7,841,493</u>

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

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Business-type activities:										
Charges for Services:										
Water	1,451,627	1,422,929	1,448,689	1,574,394	1,626,986	1,554,490	1,646,245	2,071,414	2,059,276	2,214,237
Sewer	1,958,761	2,103,694	2,205,523	2,330,645	2,385,843	2,438,317	2,565,974	2,800,076	2,920,500	2,869,152
Solid waste	1,686,513	1,776,060	1,783,275	1,930,808	2,102,620	2,247,609	2,473,568	2,651,264	2,723,780	2,669,200
Ambulance	782,272	677,065	760,768	874,660	1,219,922	1,379,124	1,891,558	1,973,622	2,288,808	2,169,075
Operating grants and contributions	8,558	23,925	114,922	96,147	116,601	160,661	263,796	350,740	225,029	587,901
Capital grants and contributions	-	-	-	-	2,040,135	40,086	232,668	422,500	-	15,000
Total business-type activities program revenues	<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>	<u>10,269,616</u>	<u>10,217,393</u>	<u>10,524,565</u>
Total primary government program revenues	<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>	<u>\$ 16,270,397</u>	<u>\$ 14,663,252</u>	<u>\$ 18,366,058</u>
Net (Expense) / Revenue										
Governmental activities	(3,666,173)	(3,933,620)	(3,768,518)	(4,869,105)	(4,407,380)	(4,210,847)	(4,046,285)	(3,181,597)	(4,221,731)	(3,413,536)
Business-type activities	741,214	1,409,811	1,511,456	1,812,725	4,094,868	1,878,704	1,845,724	2,100,218	1,385,310	1,336,735
Total primary government net position	<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>	<u>\$ (1,081,379)</u>	<u>\$ (2,836,421)</u>	<u>\$ (2,076,801)</u>
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes, levied for general purposes	2,802,705	2,787,519	2,819,689	3,023,214	3,108,751	3,281,542	3,646,615	3,981,974	4,100,203	4,524,415
Property taxes, levied for debt service	-	-	-	-	90,180	117,330	60,057	50,858	66,362	47,905
Miscellaneous	217,778	250,435	882,894	220,956	441,139	111,349	88,432	234,598	140,177	3,230,205
Transfers	488,809	571,733	592,249	640,012	636,750	634,994	758,120	766,449	-	(400,000)
Unrestricted investment earnings	27,218	19,747	13,761	18,098	16,510	28,447	33,803	29,969	13,713	51,902
Intergovernmental	1,030,516	1,061,296	1,085,649	1,114,846	1,118,777	1,138,871	1,177,400	1,218,469	1,234,673	220,483
Total governmental activities	<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>	<u>\$ 6,282,317</u>	<u>\$ 5,555,128</u>	<u>\$ 7,674,910</u>
Business-type activities:										
Property taxes levied	25,999	33,379	20,730	22,153	23,352	24,718	28,628	29,263	34,253	37,122
Miscellaneous	-	-	-	-	-	-	2,112	-	-	122,126
Transfers	(488,809)	(571,733)	(592,249)	(640,012)	(636,750)	(634,994)	(758,120)	(766,449)	-	400,000
Unrestricted investment earnings	9,800	7,313	5,660	14,202	18,930	23,486	28,870	14,636	6,573	38,153
Total business-type activities	<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>	<u>(722,550)</u>	<u>40,826</u>	<u>597,401</u>
Total primary government	<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>	<u>\$ 5,559,767</u>	<u>\$ 5,595,954</u>	<u>\$ 8,272,311</u>
Change in Net Position										
Governmental Activities	900,853	757,110	1,625,724	148,021	1,004,727	1,101,686	1,718,142	3,100,720	1,333,397	4,261,374
Business-type Activities	288,204	878,770	945,597	1,209,068	3,500,400	1,291,914	1,147,214	1,377,668	1,426,136	1,934,136
Total primary government	<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>	<u>\$ 4,478,388</u>	<u>\$ 2,759,533</u>	<u>\$ 6,195,510</u>

Unaudited statistical section.

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

	Fiscal Year									
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
General Fund										
Nonspendable	\$ 95,177	\$ 80,464	\$ 65,307	\$ 49,698	\$ 67,507	\$ 17,058	\$ 17,058	\$ 35,042	\$ 15,184	\$ 273,244
Restricted	-	-	-	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	562,948	509,161	451,551	432,790	676,473	1,397,720	2,221,988	2,718,961	2,853,134	3,077,456
Total general fund	<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>	<u>\$ 2,754,003</u>	<u>\$ 2,868,318</u>	<u>\$ 3,350,700</u>
All Other Governmental										
Nonspendable	222,258	229,168	235,843	238,716	240,415	241,903	244,878	249,734	259,553	258,121
Restricted	915,801	1,076,249	1,014,554	982,971	979,850	700,346	885,255	1,359,924	1,603,863	1,861,448
Committed	3,040,800	2,892,921	2,816,991	2,080,736	1,761,412	2,517,089	2,515,955	2,969,149	3,003,178	5,339,416
Assigned	4,410	3,800	-	-	-	-	-	-	-	-
Unassigned	(49,179)	(51,604)	(136,214)	(48,004)	(70,347)	(73,618)	(136,103)	(98,977)	(36,949)	-
Total all other governmental funds	<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>	<u>\$ 4,479,830</u>	<u>\$ 4,829,645</u>	<u>\$ 7,458,985</u>

Unaudited statistical section.

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

	Fiscal Year									
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
REVENUES										
Taxes and assessments	\$ 3,992,291	\$ 4,004,482	\$ 4,004,779	\$ 4,217,890	\$ 4,392,659	\$ 4,806,627	\$ 5,064,307	\$ 5,223,698	\$ 5,875,556	\$ 6,560,686
Licenses and permits	313,561	375,851	274,795	316,643	348,799	336,999	366,441	425,204	446,138	345,633
Intergovernmental	2,121,457	2,568,048	2,355,919	2,255,265	2,401,002	2,519,656	3,053,591	4,736,222	2,637,834	7,030,639
Charges for service	547,724	566,565	458,354	587,935	472,385	528,664	631,480	805,420	851,553	861,175
Fines and forfeitures	118,987	117,487	103,740	116,958	122,597	131,683	122,155	102,412	121,682	90,627
Interest on investments	27,218	19,747	13,761	18,098	16,510	28,447	33,803	29,969	13,713	51,902
Loan repayment	282,641	40,503	52,564	101,631	59,651	26,029	-	-	-	-
Other	217,778	250,435	882,894	220,956	441,139	111,349	88,432	234,598	140,177	220,483
Total revenues	<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>	<u>\$ 11,557,523</u>	<u>\$ 10,086,653</u>	<u>\$ 15,161,145</u>
EXPENDITURES										
General government	\$ 1,243,719	\$ 1,806,128	\$ 1,291,589	\$ 1,830,225	\$ 1,549,635	\$ 1,264,429	\$ 1,421,106	\$ 1,779,660	\$ 867,083	\$ 2,324,917
Public safety	3,071,872	3,287,313	3,140,222	3,219,713	3,365,250	3,363,103	3,499,577	3,752,648	4,096,905	4,178,953
Public works	837,353	1,219,943	1,252,125	1,320,004	1,320,692	1,594,427	1,281,295	1,059,640	1,405,475	1,985,709
Public health	107,870	104,189	118,289	124,219	110,897	116,833	152,420	117,525	144,122	139,336
Culture and recreation	907,607	989,419	927,342	1,043,002	927,487	990,793	1,067,404	1,134,924	1,193,411	1,276,754
Capital outlay	1,099,251	940,300	2,236,199	2,209,602	1,377,298	2,428,290	1,389,521	2,538,175	1,039,980	2,890,132
Debt service										
Principal	142,084	173,997	182,367	263,835	260,186	357,865	367,889	349,630	326,247	361,532
Interest and other charges	49,771	45,618	42,674	71,621	61,644	128,869	124,641	106,968	97,832	93,490
Total expenditures	<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>	<u>\$ 10,839,170</u>	<u>\$ 9,171,055</u>	<u>\$ 13,250,823</u>
Excess (deficiency) of revenues over expenditures	162,130	(623,789)	(1,044,001)	(2,246,845)	(718,347)	(1,755,155)	56,356	718,353	915,598	1,910,322
OTHER FINANCING SOURCES (USES)										
Issuance of debt	113,521	-	159,625	825,000	-	2,234,269	20,000	-	300,000	849,932
Transfers in	1,302,386	1,175,661	1,369,426	1,101,806	1,153,487	1,735,161	1,775,245	1,910,239	942,021	1,103,088
Transfers out	(813,577)	(603,928)	(777,177)	(461,794)	(516,737)	(1,100,167)	(1,017,125)	(1,143,790)	(942,021)	(1,503,088)
Increase in capital lease obligations	-	-	-	35,205	-	-	-	-	-	-
Premium on issuance of debt	-	-	-	35,503	-	31,080	-	-	-	-
Total other financing sources (uses)	<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>	<u>\$ 766,449</u>	<u>\$ 300,000</u>	<u>\$ 449,932</u>
EXTRAORDINARY ITEMS	-	-	-	-	-	-	-	-	-	-
Net change in fund balances	<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>	<u>\$ 1,484,802</u>	<u>\$ 1,215,598</u>	<u>\$ 2,360,254</u>
Debt service as a percentage of noncapital expenditures	3.0%	2.9%	3.2%	4.3%	4.2%	6.2%	6.2%	5.5%	5.2%	4.4%

Unaudited statistical section.

Revenue Capacity Section

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

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

Fiscal Year Ended <u>June 30,</u>	<u>Residential Property</u>	<u>Commercial & Industrial Property</u>	<u>Agricultural Property</u>	<u>Total Taxable Value</u>	<u>Total Direct Tax Rate</u>
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
2021	11,045,684	4,383,706	41,618	15,471,008	211.48
2022	13,488,699	5,353,266	50,823	18,892,788	187.89
2023	14,227,981	5,646,665	53,608	19,928,254	185.40

Source: City of Livingston Finance Department
Department of Revenue

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

Unaudited statistical section.

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

Fiscal Year Ended <u>June 30,</u>	Basic <u>Rate</u>	General Obligation Debt <u>Service</u>	Total Direct Tax <u>Rate</u>	Livingston School <u>District</u>	Park <u>County</u>	State of <u>Montana</u>
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	221.21	9.50	230.71	321.33	117.98	46.00
2020	201.78	4.15	205.93	284.19	115.24	46.00
2021	207.98	3.50	211.48	285.73	114.13	46.00
2022	183.89	4.00	187.89	250.66	102.59	46.00
2023	182.85	2.55	185.40	250.77	85.30	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		
	2023			2014		
			Percentage of Total City			Percentage of Total City
	Taxable Assessed		Taxable Assessed	Taxable Assessed		Taxable Assessed
	<u>Value</u>	<u>Rank</u>	<u>Value</u>	<u>Value</u>	<u>Rank</u>	<u>Value</u>
Northwestern Energy Transmission & Distribution	\$ 1,795,351	1	9.50%	\$ 940,482	1	8.40%
Montana Rail Link, Inc	635,650	2	3.36%	470,182	2	4.20%
Livingston Lodging, LLC	275,204	3	1.46%			
Printingforless.com Inc.	209,878	4	1.11%	126,728	3	1.13%
Shri Ganesh Yellowstone, LLC	126,821	5	0.67%			
Charter Communications, Inc.	95,875	6	0.51%	94,579	5	0.84%
American Bank of Montana	86,214	7	0.46%	62,642	10	0.56%
ACI Real Estate	82,214	8	0.44%			
AAMO Holdings, LLC	80,654	9	0.43%			
Lumen Technologies, Inc.	70,358	10	0.37%			
CenturyLink, Inc.				109,719	4	0.98%
ABS MT-O, LLC				81,400	6	0.73%
MAA Best Yellowstone Hospitality, LLC				69,634	7	0.62%
Printingforless				69,491	8	0.62%
First Interstate Bank				69,061	9	0.62%
Total	<u>\$ 3,458,219</u>		<u>18.30%</u>	<u>\$ 2,093,918</u>		<u>18.69%</u>
Total City Taxable Assessed Value	<u>\$ 19,928,254</u>			<u>\$ 11,563,751</u>		

Source: State of Montana Assessor's Office

Unaudited statistical section.

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

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2004	1,382,219	1,248,813	90.35%	133,406	1,382,219	100.00%
2005	1,493,289	1,349,363	90.36%	143,926	1,493,289	100.00%
2006	1,535,648	1,336,189	87.01%	199,459	1,535,648	100.00%
2007	1,821,767	1,672,805	91.82%	148,962	1,821,767	100.00%
2008	1,944,748	1,689,591	86.88%	255,157	1,944,748	100.00%
2009	2,006,597	1,761,566	87.79%	245,031	2,006,597	100.00%
2010	2,197,531	2,109,410	95.99%	88,121	2,197,531	100.00%
2011	2,298,258	2,185,537	95.10%	112,721	2,298,258	100.00%
2012	2,307,395	2,148,330	93.11%	159,065	2,307,395	100.00%
2013	2,432,073	2,326,903	95.68%	105,170	2,432,073	100.00%
2014	2,423,005	2,366,838	97.68%	56,167	2,423,005	100.00%
2015	2,397,867	2,376,542	99.11%	21,325	2,397,867	100.00%
2016	2,464,833	2,436,205	98.84%	28,628	2,464,833	100.00%
2017	2,666,801	2,640,286	99.01%	26,515	2,666,801	100.00%
2018	2,779,942	2,742,542	98.65%	37,401	2,779,942	100.00%
2019	2,953,780	2,922,051	98.93%	31,362	2,953,413	99.99%
2020	2,955,032	2,926,203	99.02%	27,698	2,953,901	99.96%
2021	3,095,075	3,036,406	98.10%	58,446	3,094,852	99.99%
2022	3,317,477	3,249,078	97.94%	58,227	3,307,305	99.69%
2023	3,449,897	3,362,289	97.46%	-	3,362,289	97.46%

Unaudited statistical section.

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

	Fiscal Year									
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Water										
Residential	3,091	3,126	3,306	3,269	3,357	3,435	3,452	3,587	3,659	3,684
Commercial	361	368	377	375	345	380	378	357	361	379
Industrial	3	3	3	3	3	3	3	3	2	2
Total Water	3,455	3,497	3,686	3,647	3,705	3,818	3,833	3,947	4,022	4,065
Sewer										
Residential	2,963	2,995	3,172	3,134	3,192	3,233	3,290	3,387	3,382	3,443
Commercial	330	335	342	336	341	371	370	375	379	370
Industrial	1	1	1	1	2	1	1	1	1	1
Total Sewer	3,294	3,331	3,515	3,471	3,535	3,605	3,661	3,763	3,762	3,814
Solid Waste										
Residential	3,041	3,062	3,210	3,167	3,184	3,256	3,415	3,477	3,584	3,571
Commercial	314	309	312	344	330	333	343	331	351	359
Industrial	-	-	-	-	-	-	-	-	-	-
Total Solid Waste	3,355	3,371	3,522	3,511	3,514	3,589	3,758	3,808	3,935	3,930

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>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Type of Customer										
Residential	252,688	229,636	286,325	267,087	254,728	254,922	222,331	291,128	349,675	281,650
Commercial	80,654	84,003	86,673	91,729	84,591	87,332	80,646	77,391	90,450	85,139
Industrial	5,786	966	1,652	4,889	8,945	1,206	1,181	7,477	782	1,239
Total	339,128	314,605	374,650	363,705	348,264	343,460	304,158	375,996	440,907	368,028

Source: City of Livingston Utility Department

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

Water			Sewer		
Fiscal Year Ended June 30,	Monthly Base Rate	Rate per 1,000 Gallons	Fiscal Year Ended June 30,	Monthly Base Rate	Rate per 1,000 Gallons
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
2021	13.00	3.00	2021	18.94	7.70
2022	13.43	3.10	2022	19.51	7.74
2023	14.77	3.41	2023	20.19	8.01

Sources:

City of Livingston, Montana Commission Resolution 4387
City of Livingston, Montana Commission Resolution 4459
City of Livingston, Montana Commission Resolution 4577
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 4912
City of Livingston, Montana Commission Resolution 4978
City of Livingston, Montana Commission Resolution 5053

City of Livingston, Montana Commission Resolution 4388
City of Livingston, Montana Commission Resolution 4460
City of Livingston, Montana Commission Resolution 4578
City of Livingston, Montana Commission Resolution 4692
City of Livingston, Montana Commission Resolution 4742
City of Livingston, Montana Commission Resolution 4807

City of Livingston, Montana Commission Resolution 4979
City of Livingston, Montana Commission Resolution 5054

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 Obligation	Notes	Special Assessment	Tax Increment Revenue	Capital	Revenue	Bond Anticipation	Notes	Capital	Total Primary	Percentage of Personal	Per
	Bonds	Payable	Bonds	Bonds	Leases	Bonds	Notes	Payable	Leases	Government	Income¹	Capita¹
2014	190,000	475,437	310,000	668,000	-	2,292,000	-	176,812	-	4,112,249	15.92%	580.42
2015	160,000	418,440	273,000	618,000	-	2,091,000	-	147,344	-	3,707,784	18.64%	513.97
2016	130,000	500,698	249,000	567,000	-	1,895,000	-	117,876	-	3,459,574	20.91%	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	14.97%	695.25
2018	788,728	371,657	201,000	457,000	-	11,552,528	-	30,589	-	13,401,502	6.12%	1,779.98
2019	685,000	511,910	176,000	2,290,000	-	15,438,040	-	15,295	-	19,116,245	4.51%	2,455.84
2020	650,178	408,794	150,000	2,169,008	-	15,762,151	-	-	-	19,140,131	4.81%	2,453.55
2021	613,403	282,011	123,000	2,009,936	-	14,916,725	-	-	-	17,945,075	5.79%	2,231.97
2022	576,628	484,611	94,000	1,846,864	-	14,455,835	-	-	-	17,457,938	6.44%	2,081.80
2023	544,853	355,926	913,932	1,675,791	-	13,996,585	-	-	-	17,487,087	6.87%	1,989.43

Sources: City of Livingston Finance Department

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

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

Unaudited statistical section.

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

Fiscal Year Ended <u>June 30,</u>	General Obligation <u>Bonds</u>	Less: Amounts Available in Debt <u>Service Fund</u>	<u>Total</u>	Percentage of Estimated Actual Taxable Value¹ of <u>Property</u>	Per <u>Capita</u>²
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
2021	613,403	19,371	594,032	3.84%	73.88
2022	576,628	30,822	545,806	2.89%	65.09
2023	544,853	24,945	519,908	2.61%	59.15

Sources: City of Livingston Finance Department

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

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

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

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

	As of June 30, 2023	Applicable to the City of Livingston	As of June 30, 2022	Applicable to the City of Livingston
<u>City of Livingston, Montana</u>				
General obligation debt	\$ 544,853		\$ 576,628	
Special Assessment Bond	913,932		94,000	
Tax Increment Revenue Bonds	1,675,791		1,846,864	
Notes Payable	<u>355,926</u>		<u>484,611</u>	
Net general obligation debt	<u>\$ 3,490,502</u>	100%	<u>\$ 3,002,103</u>	100%
<u>Overlapping Bonded Indebtedness</u>				
Park County ¹	1,215,012	48.0%	1,365,909	48.0%
Livingston School District ²				
Elementary District	-	81.4%	-	81.4%
High School District	11,790,000	66.1%	12,295,000	66.1%
Total overlapping bond indebtedness	<u>\$ 13,005,012</u>		<u>\$ 13,660,909</u>	
Total direct and overlapping debt	<u><u>\$ 16,495,514</u></u>		<u><u>\$ 16,663,012</u></u>	

Sources:

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

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

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

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

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

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<u>Market Value</u>	\$ 423,354,775	\$ 434,670,370	\$ 672,756,494	\$ 684,291,493	\$ 758,381,947	\$ 777,853,878	\$ 952,168,749	\$ 967,605,348	\$ 1,202,816,584	\$ 1,858,142,554
<u>Limit %</u>	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Debt Limit	\$ 10,583,869	\$ 10,866,759	\$ 16,818,912	\$ 17,107,287	\$ 18,959,549	\$ 19,446,347	\$ 23,804,219	\$ 24,190,134	\$ 30,070,415	\$ 46,453,564
Total net debt applicable to limit	(169,966)	(140,401)	(117,311)	(839,563)	(772,081)	(634,094)	(626,100)	(594,032)	(545,806)	(519,908)
Legal debt margin	<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>	<u>\$ 23,596,102</u>	<u>\$ 29,524,609</u>	<u>\$ 45,933,656</u>
Total net debt applicable to the limit as a percentage of debt limit	2%	1%	1%	5%	4%	3%	3%	2%	2%	1%

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	
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	328,893	1.83
2021	2,071,414	909,865	1,161,549	-	-	0.00	2,800,076	1,413,656	1,386,420	445,426	326,265	1.80
2022	2,059,276	1,088,163	971,113	-	-	0.00	2,920,500	1,154,985	1,765,515	460,890	316,312	2.27
2023	2,214,237	1,552,837	661,400	-	-	0.00	2,854,152	1,662,594	1,191,558	459,250	306,111	1.56

Fiscal Year Ended June 30,	Special Assessment Bonds				West End Tax Increment District Revenue Bonds				Urban Renewal Agency Revenue Bonds			
	Special Assessment Collections	Debt Service		Coverage	Tax Collections	Debt Service		Coverage	Tax Collections	Debt Service		Coverage
		Principal	Interest			Principal	Interest			Principal	Interest	
2014	49,925	26,000	14,124	1.24	122,374	48,000	26,400	1.64	-	-	-	0.00
2015	41,254	37,000	12,485	0.83	138,647	50,000	26,400	1.37	-	-	-	0.00
2016	38,831	24,000	10,013	1.14	114,643	51,000	22,706	1.17	-	-	-	0.00
2017	38,728	24,000	9,252	1.16	112,018	54,000	20,756	1.13	-	-	-	0.00
2018	36,626	24,000	8,213	1.14	108,044	56,000	18,713	1.09	-	-	-	0.00
2019	34,594	25,000	7,313	1.07	116,997	57,000	16,613	1.59	194,313	126,036	33,117	1.22
2020	34,563	26,000	6,356	1.07	127,571	60,000	14,438	1.71	379,256	92,072	66,853	2.39
2021	34,513	27,000	5,382	1.07	128,148	62,000	12,169	1.73	405,084	97,072	64,153	2.51
2022	47,538	29,000	4,350	1.43	161,107	66,000	9,806	2.13	549,429	97,072	61,303	3.47
2023	47,697	31,175	17,519	0.98	166,274	69,000	7,312	2.18	600,461	102,072	58,503	3.74

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

Demographics and Economic Section

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

CITY OF LIVINGSTON
DEMOGRAPHIC AND ECONOMIC STATISTICS
Past Ten Fiscal Years

Fiscal Year Ended June 30,	City Population¹	County Population¹	County Personal Income²	County Per Capita Personal Income	State Median Age¹	K-12 School Enrollment³	Unemployment Rate⁴
2014	7,085	16,096	\$ 654,622	\$ 40,670	39.8	1,491	4.6%
2015	7,214	16,225	\$ 691,126	\$ 42,596	39.7	1,493	4.3%
2016	7,302	16,693	\$ 723,329	\$ 44,124	39.8	1,478	4.3%
2017	7,401	16,693	\$ 770,100	\$ 46,133	39.7	1,442	4.1%
2018	7,529	17,012	\$ 820,324	\$ 48,220	39.8	1,447	3.7%
2019	7,784	17,004	\$ 861,354	\$ 50,656	39.8	1,390	3.6%
2020	7,801	17,224	\$ 921,047	\$ 53,475	40.1	1,369	6.5%
2021	8,040	17,531	\$ 1,039,533	\$ 59,297	40.1	1,362	3.5%
2022	8,386	17,790	\$ 1,123,839	\$ 63,173	40.1	1,235	2.7%
2023	8,790	17,790	\$ 1,201,357 *	\$ 67,530 *	40.1	1,255	2.5%

Data Sources:

¹ US Census Bureau, Population Division

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

³ Livingston School District Administrative Offices- Enrollment as of October 31st, 2022

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

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

Unaudited statistical section.

**CITY OF LIVINGSTON
PRINCIPAL EMPLOYERS
Current and Nine Years Ago**

2023			2014	
Private Employers By Class	Employer Class Size	% of Total Labor Force	Private Employers By Class	Employer Class Size
Livingston Healthcare	7	5%	Livingston Healthcare	7
Printingforless.com	7	5%	Chico Hot Springs	6
Chico Hot Springs	6	2%	PrintingForLess.com	6
Church Universal & Triumphant	6	2%	Albertson's	5
Albertson's	5	1%	Best Western Mammoth Hot Springs	5
Community Health Partners	5	1%	Church Universal & Triumphant	5
Evergreen Health & Rehab	5	1%	Livingston Health & Rehabilitation Center	5
Montana's Rib & Chop House	5	1%	Montana's Rib & Chop House	5
Town & Country Foods	5	1%	Mountain Sky Guest Ranch	5
Town Pump	5	1%	Town & Country Foods	5

Total Labor Force: 10,039 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

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,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
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	1.00	1.00	1.00	1.00	1.00	2.00	2.00	3.00	2.00
Finance	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Accounting	2.80	2.00	2.00	2.00	1.60	2.00	1.00	1.00	1.00	1.00
Planner	1.15	2.15	2.15	2.15	2.15	2.15	1.65	2.15	1.62	1.00
City Attorney	1.61	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Law Enforcement	14.00	14.00	14.00	13.00	14.00	14.00	15.00	15.00	16.00	16.00
Parking Attendant	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Firefighters	9.00	9.00	9.00	8.50	8.50	7.00	7.50	7.50	7.50	7.50
Building Code Enforcement	0.85	0.85	0.85	0.85	0.85	0.85	0.85	0.85	1.38	2.00
Cemetery Department	1.72	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Parks Department	1.52	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Roaming Crew	0.00	5.74	6.60	6.60	6.36	6.82	6.74	6.30	5.84	6.30
Recreation	1.84	1.00	1.00	1.35	0.00	0.00	0.00	0.00	0.00	0.00
Administrative Services	0.00	3.00	3.00	3.00	3.35	4.43	4.68	4.55	4.25	3.75
Swimming Pool	1.51	1.51	1.51	1.51	1.51	1.51	1.51	1.51	1.51	1.51
Animal Control	0.72	0.72	0.72	0.72	0.80	1.00	1.00	1.00	1.00	1.00
Sub-Total General Fund	<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>	<u>46.86</u>	<u>48.10</u>	<u>47.06</u>
Special Revenue Funds										
Summerfest	0.16	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Library	7.85	7.59	7.62	7.22	6.74	8.25	8.88	9.55	8.85	8.80
Dispatch	8.60	8.60	8.60	8.60	9.00	9.00	9.00	9.00	9.00	9.00
Street Maintenance District	4.20	5.58	5.78	5.78	5.90	5.90	5.88	6.99	7.38	7.74
Sub-Total Special Revenue Funds	<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>	<u>25.54</u>	<u>25.23</u>	<u>25.54</u>
Enterprise Funds										
Water Department	8.09	7.47	7.74	7.40	7.12	7.37	6.95	7.58	7.58	7.58
Sewer Department	9.09	7.43	7.71	6.88	7.27	8.25	8.26	8.35	8.35	8.35
Solid Waste Department	10.27	7.03	7.93	7.60	7.61	7.39	7.65	8.61	9.11	8.86
Ambulance Service	6.00	6.00	6.00	6.50	6.50	7.00	7.50	7.50	7.50	7.50
Sub-Total Enterprise Funds	<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>	<u>32.04</u>	<u>32.54</u>	<u>32.29</u>
Total all funds	<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>	<u>104.44</u>	<u>105.87</u>	<u>104.89</u>

Source: City Manager's Recommended Budget

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

	Fiscal Year Ended June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Fund										
Finance/Accounting										
Claim Checks Processed	2864	2892	3047	2893	2762	2611	2346	2294	2181	2244
W-2's Processed ¹	152	158	151	161	147	152	154	154	173	180
Payroll Checks Processed	3271	3404	3293	3199	3238	3134	3335	3992	3484	3301
1099's Processed ¹	18	27	22	30	24	14	17	17	21	22
Business Licenses Processed	667	658	720	762	762	620	647	621	762	784
City Attorney										
Resolutions	89	85	105	85	66	91	91	69	78	46
Ordinances	3	7	8	4	3	12	12	24	24	8
Police Department *										
Number of Officers	13	14	14	12	14	15	15	15	15	15
Calls for Service	6220	7684	7849	8355	9544	9200	9444	9168	9853	8653
Incident Reports	1116	858	1033	983	1053	1203	1068	1155	1128	1082
Traffic Citations	285	273	354	401	556	517	538	279	365	327
Vehicle Accident Reports	163	160	157	176	226	216	234	170	199	184
Adult Arrests	210	255	297	293	365	435	373	346	347	292
Juvenile Arrests	66	45	56	58	50	74	91	65	72	67
DUI Arrests	14	31	40	33	75	61	65	38	45	38
Domestic Disturbance Reports	75	64	96	78	72	47	48	63	54	36
Domestic Violence Arrests	24	32	69	22	32	35	42	53	35	40
Sex Offense Investigations	19	15	23	29	22	33	38	19	31	49
Drug Charges	39	39	31	74	41	40	39	31	29	43
Theft Reports	238	124	290	320	290	248	200	248	188	211
Burglary Reports	26	5	23	28	32	19	15	22	31	29
Vandalism Reports	133	71	149	140	185	114	83	141	109	106

Source: City Manager's Recommended Budget

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

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

		Fiscal Year Ended June 30,								
		2013	2014	2015	2016	2017	2018	2019	2020	2021
Public Safety										
Police										
Number of Stations		1	1	1	1	1	1	1	1	1
Police Vehicles		8	8	8	8	8	8	8	9	11
Fire										
Number of Stations		1	1	1	1	1	1	1	1	1
Apparatus		2	2	2	2	5	5	8	8	9
Ambulance		4	4	4	4	4	4	4	4	5
Public Works										
Solid Waste										
Collections Trucks		5	5	5	5	6	6	6	6	6
Streets										
Sweeper Trucks		1	1	1	1	1	2	2	2	2
Streets (Miles)		41.070	39.525	40.598	46.752	46.752	43.866	44.036	44.036	42.339
Alleys (Miles)		18.942	18.942	18.942	18.942	18.942	18.942	18.942	18.942	18.942
Secondary Urban Streets (Miles)		11.145	12.676	12.676	12.676	12.676	15.610	15.663	15.663	13.117
Culture and Recreation										
Parks										
Number of Parks		8	13	13	13	13	13	16	16	16
Acres of Parks		100.571	150	150	150	150	150	135.54	135.54	135.54
Number of Swimming/Splash Parks		1	1	2	2	2	2	2	2	2

Source: City Manager's Recommended Budget

PART IV

SINGLE AUDIT SECTION



AMATICS
CPA GROUP

45 Discovery Dr.
Bozeman, MT 59718

P 406.404.1925
F 406.404.1926

INDEPENDENT AUDITOR'S 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, 2023, 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 19, 2023.

Report on 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) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the 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 or significant deficiencies may exist that have not been identified.



Report on 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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.

A handwritten signature in black ink that reads "Amatis CPA Group". The signature is written in a cursive, flowing style.

Bozeman, Montana
December 19, 2023



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

Opinion on Each Major Federal Program

We have audited the City of Livingston, Montana's compliance with the types of compliance requirements identified as subject to audit 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, 2023. 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.

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, 2023.

Basis for Opinion on Each Major Federal Program

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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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



Auditor's Responsibilities for the Audit of Compliance

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

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding City of Livingston, Montana's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of City of Livingston, Montana's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of City of Livingston, Montana's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed. The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in black ink that reads "Amelie CPA Gray". The signature is written in a cursive, flowing style.

Bozeman, Montana
December 19, 2023

CITY OF LIVINGSTON, MONTANA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2023

	Assistance Listing Number	Grant or Pass- Through Number	Federal Expenditures		
			Direct	Pass through	Total
UNITED STATES DEPARTMENT OF THE TREASURY					
<u>Pass through programs</u>					
State of Montana, Department of Administration					
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	\$ -	\$ 1,918,675	\$ 1,918,675
State of Montana, Department of Natural Resources and Conservation					
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	AC-22-0140	-	1,997,414	1,997,414
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	RPG-22-0711A	-	15,000	15,000
UNITED STATES FEDERAL EMERGENCY MANAGEMENT AGENCY					
<u>Pass through programs</u>					
State of Montana, Department of Emergency Services					
Disaster Assistance	83.516	067-43975-00	-	315,950	315,950
UNITED STATES DEPARTMENT OF HEALTH AND HUMAN SERVICES					
<u>Pass through programs</u>					
Montana Health Network	93.391	N/A	-	39,876	39,876
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ -	\$ 4,286,915	\$ 4,286,915

CITY OF LIVINGSTON, MONTANA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2023

1. GENERAL

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, 2023.

2. BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards is presented using the accrual basis of accounting, which is described in Note 1 to the City's financial statements for the year ended June 30, 2023. The information in the 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).

3. INDIRECT COST RATE

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

4. PROGRAM COSTS

The amounts shown as current year expenditures represent only the federal grant portion of the program costs. Entire program costs, including the City's portion, exceed what is presented. Such expenditures are recognized following the cost principles contained in Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. 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. Some amounts presented in this Schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

5. MATCHING REQUIREMENTS

Certain Federal programs require the City to contribute non-Federal funds (matching funds) to support the Federally-funded programs. The City has met its matching requirements. The Schedule does not include the expenditure of non-Federal matching funds.

CITY OF LIVINGSTON, MONTANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2023

SUMMARY OF AUDITOR'S 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?	No

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	AL #21.027 Coronavirus State and Local Fiscal Recovery 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 (CONTINUED)
JUNE 30, 2023

The results of our tests disclosed no 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, 2023.

CITY OF LIVINGSTON, MONTANA
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
JUNE 30, 2023

The results of our tests disclosed no 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, 2022.