

Town of Livingston, Louisiana

Annual Financial Statements

As of and for the Year Ended December 31, 2019
With Supplementary Information Schedules

Town of Livingston
Annual Financial Statements
As of and for the Year Ended December 31, 2019
With Supplementary Information Schedules

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Member
AICPA

Member
LCPA

To the Honorable Mayor David McCreary
and Board of Aldermen
Town of Livingston, Louisiana

INDEPENDENT AUDITOR'S REPORT

I have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund information of Town of Livingston, Louisiana, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

Opinions

In my 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, and each major fund of the Town of Livingston, Louisiana, as of December 31, 2019, and the respective changes in financial position and, where applicable, cash flows thereof or the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison information, the Schedule of the Town's Proportionate Share of Net Pension Liability, and the Schedule of the Town's Contributions be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I 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 my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

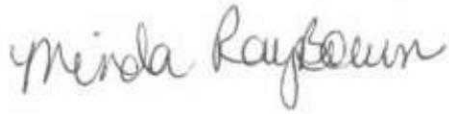
Other Information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Franklinton's basic financial statements. The individual fund financial statements, statistical sections, schedule of insurance, schedule of compensation paid to board members, and schedule of compensation, benefits, and other payments to the agency head are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The individual fund financial statements, statistical sections, schedule of insurance, schedule of compensation paid to board members, and the schedule of compensation, benefits, and other payments to the agency head are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, I have also issued my report dated December 27, 2020 on my consideration of the Town of Livingston’s internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Town of Livingston’s internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Minda Raybourn". The ink is dark and the signature is centered horizontally on the page.

Minda Raybourn CPA
Franklinton, Louisiana
December 27, 2020

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Required Supplementary Information (Part I)
Management's Discussion and Analysis

Town of Livingston

Management's Discussion and Analysis As of and for the Year Ended December 31, 2019

Introduction

The Town of Livingston (the Town) is pleased to present its Annual Financial Statements developed in compliance with Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements - Management's Discussion and Analysis - For State and Local Governments* (GASB 34), as amended. The amendment of GASB 34, including the adoption of GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, and applicable standards as more fully described in the Footnote 1 – *Summary of Significant Accounting Policies*.

The Town's discussion and analysis is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the Town's financial activity, (c) identify changes in the Town's financial position, (d) identify any significant variations from the Town's financial plan, and (e) identify individual fund issues or concerns.

Since Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting changes, and currently known facts, please read it in conjunction with the Town's financial statements beginning immediately following this Management's Discussion and Analysis.

Financial Highlights

- At December 31, 2019, the Town's assets exceeded its liabilities by \$10,196,568 (net position). Of this amount, \$1,780,289 (unrestricted net position) may be used to meet the Town's ongoing obligations to its citizens.
- For the year ended December 31, 2019, the Town's total net position increased by \$337,639.
- At December 31, 2019, the Town's governmental funds reported combined ending fund balances of \$712,296, a decrease of \$42,456 for the year. Of this amount, \$671,125 is unassigned.
- At December 31, 2019, the Town's proprietary funds reported combined ending net position of \$7,733,014, an increase of \$331,247 for the year. Of this amount, \$1,812,384 or twenty-three percent is available for spending at the Town's discretion (unrestricted net position).

Overview of the Annual Financial Report

The financial statement focus is on both the Town as a whole and on the major individual funds. Both perspectives, government-wide and major funds, allow the user to address relevant questions, broaden a basis for comparison, and enhance the Town's accountability. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The MD&A is intended to serve as an introduction to the Town's basic financial statements, which consist of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

Town of Livingston

Management's Discussion and Analysis As of and for the Year Ended December 31, 2019

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the Town's finances in a manner similar to a private-sector business. Governmental activities, which normally are supported by taxes and intergovernmental revenues, and business-type activities, which rely to a significant extent on fees and charges for support are presented in separate columns along with a total column for the primary government. If the Town determines that presentation of a component unit (which are other governmental units for which the Town can exercise significant influences or for which the Primary Government financial statements would be misleading if component unit information is not presented) is necessary to allow the reader to determine the relationship of the component unit and primary government, the component unit information is presented in a separate column of the financial statements or in a separate footnote. Component unit information is presented separately in the notes to the financial statements.

The Statement of Net Position presents information on the Town's assets and liabilities using the accrual basis of accounting, in a manner similar to the accounting used by private business enterprises. The difference between the assets and liabilities is reported as net position. Over time, the increases or decreases in net position and changes in the components of net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.

The Statement of Activities presents information showing how the Town's net position changed during the most recent fiscal year, focusing on both the gross and net costs of various activities, both governmental and business-type, that are supported by the Town's general tax and other revenues. This is intended to summarize and simplify the reader's analysis of the cost of various governmental services and/or subsidy to various business-type activities.

In both of the government-wide financial statements, the Town's activities are divided into two types:

Governmental activities - Most of the Town's basic services are reported here, including general government, public safety, streets, sanitation, health and welfare, and recreation. These activities are financed primarily by property taxes, franchise taxes, sales taxes, and fines.

Business-type activities - The Town charges a fee to customers to help it cover all of the cost of the services provided. The Town's water, natural gas, and sewer utility systems are reported in this section.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule, if applicable, are payments-in-lieu of taxes and other charges between the government's enterprise operations. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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 Town, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related and legal requirements. The Town uses two categories of funds to account for financial transactions: governmental funds and proprietary funds. Traditional users of governmental financial statements will find the fund financial statements presentation more familiar.

Governmental funds are used to account for most of the Town's basic services. However, unlike the government-wide financial statements, governmental fund financial statements focus on how money flows

Town of Livingston

Management's Discussion and Analysis As of and for the Year Ended December 31, 2019

into and out of those funds and the balances that are left at year-end that are available for spending. These funds are reported using the modified accrual basis 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 Town's general government operations and the basic services it provides. Governmental fund information helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance the Town's programs.

Proprietary funds account for water, natural gas, and sewer utility services provided by the Town to its customers. Proprietary fund statements provide the same type of information as the government-wide financial statements, but the fund presentation provides more detail.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, there are differences in the information presented for government funds and for governmental activities in the government-wide financial statements. Review of these differences provides the reader of the financial statements insight on the long-term impact of the Town's more immediate decisions on the current use of financial resources. Both the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Town of Livingston

Management's Discussion and Analysis As of and for the Year Ended December 31, 2019

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The following table provides a summary of the Town's net position for the current year as compared to the prior year. For more detailed information, see the Statement of Net Position in this report.

Net Position 2019 and 2018

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Assets:						
Current and Other Assets	\$ 829,060	\$ 1,012,898	\$ 7,733,839	\$ 2,024,485	\$ 8,562,899	\$ 3,037,383
Capital Assets	2,556,922	2,379,408	9,813,745	9,936,557	12,370,667	12,315,965
Total Assets	3,385,982	3,392,306	17,547,584	11,961,042	20,933,566	15,353,348
Deferred Outflows of Resources						
Pension Related	295,934	231,531	102,892	125,407	398,826	356,938
Advanced Bond Refunding	-	-	696,692	728,971	696,692	728,971
Total Deferred Outflows of Resources	295,934	231,531	799,584	854,378	1,095,518	1,085,909
Liabilities:						
Long-Term Debt Outstanding	1,052,065	864,269	9,946,422	4,893,635	10,998,487	5,757,904
Other Liabilities	127,320	254,445	649,627	502,266	776,947	756,711
Total Liabilities	1,179,385	1,118,714	10,596,049	5,395,901	11,775,434	6,514,615
Deferred Inflows of Resources						
Pension Related	38,977	47,961	18,105	17,752	57,082	65,713
Total Deferred Inflows of Resources	38,977	47,961	18,105	17,752	57,082	65,713
Net Position:						
Net Investment in Capital Assets	2,495,649	2,350,539	5,650,568	5,966,017	8,146,217	8,316,556
Restricted	-	-	270,062	175,924	270,062	175,924
Unrestricted	(32,095)	106,623	1,812,384	1,259,826	1,780,289	1,366,449
Total Net Position	\$ 2,463,554	\$ 2,457,162	\$ 7,733,014	\$ 7,401,767	\$ 10,196,568	\$ 9,858,929

Approximately eighty percent of the Town's net position reflects its investment in capital assets (land, buildings, equipment, infrastructure, and improvements) net of any outstanding related debt used to acquire those capital assets. These capital assets are used to provide services to citizens and do not represent resources available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets cannot be used to liquidate these liabilities.

Approximately three percent of the Town's net position represents resources that are subject to external restriction on how they may be used. The Town's restricted net position consists of cash reserves required by revenue bond agreements and cash for customer deposits net of corresponding liabilities.

Approximately seventeen percent of the Town's net position is unrestricted and may be used to meet the Town's ongoing obligations to its citizens.

At the end of the current fiscal year, the Town was able to report positive balances in all three categories of net position for both business-type activities, there was a negative balance in unrestricted net position for governmental activities.

Town of Livingston

**Management's Discussion and Analysis
As of and for the Year Ended December 31, 2019**

The Town's activities increased its total net position by \$337,639, with governments activities increasing net position by \$6,392 and business-type activities increasing net position by \$331,247.

In order to further understand what makes up the changes in net position, the following table provides a summary of the results of the Town's activities for the current year as compared to the prior year. An analysis of the primary sources of these changes follows the table. For more detailed information, see the Statement of Activities in this report.

Town of Livingston

**Management's Discussion and Analysis
As of and for the Year Ended December 31, 2019**

**Changes in Net Position
For the years ended December 31, 2019 and 2018**

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Revenues:						
Program Revenues:						
Charges for Services	\$ 981,335	\$ 894,118	\$ 2,681,700	\$ 2,533,845	\$ 3,663,035	\$ 3,427,963
Operating Grants and Contributions	106,811	97,587	12,327	11,677	119,138	109,264
Capital Grants and Contributions	-	-	-	226,288	-	226,288
General Revenues:						
Franchise Taxes	158,694	155,198	-	-	158,694	155,198
Property Taxes	59,252	57,825	-	-	59,252	57,825
Sales Taxes	538,967	563,282	-	-	538,967	563,282
Other Taxes	9,685	9,843	-	-	9,685	9,843
Intergovernmental	-	-	-	71,018	-	71,018
Interest Income	3,360	2,817	50,731	3,026	54,091	5,843
Donations	280,183	-	-	-	280,183	-
Miscellaneous	7,877	8,409	-	-	7,877	8,409
FEMA Reimbursement	8,833	-	-	-	8,833	-
Gain on Sale of Assets	735	-	-	-	735	-
Total Revenues	2,155,732	1,789,079	2,744,758	2,845,854	4,900,490	4,634,933
Expenses:						
General Government	728,634	700,306	-	-	728,634	700,306
Public Safety - Police Protection	611,970	519,513	-	-	611,970	519,513
Public Safety - Fire Protection	108,032	91,887	-	-	108,032	91,887
Public Works - Streets	252,020	220,441	-	-	252,020	220,441
Sanitation	213,664	190,493	-	-	213,664	190,493
Health and Welfare	3,005	6,307	-	-	3,005	6,307
Recreation	398,828	334,112	-	-	398,828	334,112
Capital Lease Interest	1,922	1,653	-	-	1,922	1,653
Gas, Water, and Sewer Utility	-	-	2,244,776	1,872,753	2,244,776	1,872,753
Total Expenses	2,318,075	2,064,712	2,244,776	1,872,753	4,562,851	3,937,465
Change in Net Assets Before Transfers and Contributions	(162,343)	(275,633)	499,982	973,101	337,639	697,468
Transfers (Out) In	168,735	363,000	(168,735)	(363,000)	-	-
Change in Net Position	6,392	87,367	331,247	610,101	337,639	697,468
Net Position, Beginning	2,457,162	2,357,252	7,401,767	6,769,493	9,858,929	9,126,745
Prior Period Adjustments	-	12,543	-	22,173	-	34,716
Net Position, Ending	\$ 2,463,554	\$ 2,457,162	\$ 7,733,014	\$ 7,401,767	\$ 10,196,568	\$ 9,858,929

Town of Livingston

Management's Discussion and Analysis As of and for the Year Ended December 31, 2019

Governmental Activities

The Town's governmental net position increased by \$6,392 or approximately less than one percent of the prior year ending net position of \$2,457,162.

The major differences between 2019 and 2018 revenues include a \$87,217 increase in charges for services, a \$280,183 in donated assets from Livingston Recreation District No. 7, a \$8,833 increase in FEMA reimbursements, a \$24,315 decrease in sales taxes, and a \$9,224 increase in operating grants.

Total Government-wide Expenses increased by twelve percent or \$253,363. General governmental expenditures increased \$28,328 due to increases in repairs and maintenance of \$7,244, retirement expense of \$5,733, professional fees of \$5,681, insurance of \$3,727, salaries of \$2,715, and supplies of \$2,560. Police expenditures increased \$92,457 due to increases in retirement of \$54,590, salaries of \$34,599, miscellaneous expenses of \$8,770, and depreciation expense of \$4,194 with decreases of \$10,390 in auto expenses. Fire expenditures increased \$16,146 due to increases of \$19,152 in miscellaneous expenses and salaries of \$1,029 and with decreases in vehicle expenses of \$3,910. Street expenditures increased \$31,579 due to increases of \$17,481 in materials and supplies, \$11,175 in other expenditures, and \$3,419 in salaries. Recreation expenditures increased \$64,716 due to increases of \$12,915 in salaries, \$32,451 in program expenses, and \$22,292 in depreciation, and with decreases of \$2,683 in Circle Drive Park repairs and maintenance expenses. Sanitation expenditures increased \$23,171, due an increase in garbage collection fees. Transfers in from the utility fund subsidizing governmental activities were also decreased to \$168,735 in 2019 from \$363,000 in 2018.

Business-Type Activities

The Town's business-type net position increased by \$331,247, or four percent of the prior year ending net position, to \$7,733,014. Before transfers to/from the general fund, business-type net position increased \$499,982. Current year charges increased by \$147,855 to \$2,681,700 from prior year charges of \$2,533,845. Expenses for the utility systems increased by \$372,023 (approximately twenty percent). Bond issuance costs increased \$193,324. Interest expense increased \$103,810. salaries increased by \$39,942. Repairs and maintenance increased by \$33,278. Employee benefits increased by \$23,253. Other expenses decreased \$19,331.

Fund Financial Analysis

As noted earlier, the Town uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the Town's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Town's financing requirements. In particular, unreserved fund balance may serve as a useful measure of the Town's net resources available for spending at the end of the year. The basic governmental fund financial statements begin with "Statement C – Balance Sheet, Governmental Funds" immediately following the government-wide financial statements.

At the end of the current year, the Town's governmental funds reported combined ending fund balances of \$712,296. The unassigned fund balance was \$671,125. This represents a decrease of \$42,456 after an increase of \$202,769 in 2018. Before transfers in from the utility fund the governmental funds would have had a \$211,191 decrease in fund balance.

Town of Livingston

Management's Discussion and Analysis As of and for the Year Ended December 31, 2019

The general fund is the chief operating fund of the Town. At the end of the current year, the total fund balance for the general fund was \$712,296. Of this amount \$671,125 was unassigned.

Proprietary Funds

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

General Fund Budgetary Highlights

The General Fund had no actual revenues and other sources over budgeted amounts resulting in unfavorable variances greater than five percent in accordance with the Local Government Budget Act for the fiscal year ended December 31, 2019. Actual expenditures and other uses of the General Fund were over five percent of the budgeted amounts. This was due to capital outlay of donated assets from Livingston Parish Recreation District No. 7.

Capital Assets and Debt Administration

Capital Assets

The Town's investment in capital assets for its governmental and business-type activities as of December 31, 2019 amounts to \$12,370,667 (net of depreciation). The total decrease in the Town's investment in capital assets for the current fiscal year before allowance for depreciation was \$54,702.

The following table provides a summary of the Town's capital assets (net of depreciation) at the end of the current year as compared to the prior year. For more detailed information, see Note 8 to the financial statements in this report.

Town of Livingston

Management's Discussion and Analysis As of and for the Year Ended December 31, 2019

Capital Assets (Net of Depreciation) 2019 and 2018

Capital Assets	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Land	\$ 138,634	\$ 138,634	\$ -	\$ -	\$ 138,634	\$ 138,634
Construction in Progress	38,044	38,044	241,200	42,000	279,244	80,044
Buildings and Improvements	914,213	914,213	339,947	339,947	1,254,160	1,254,160
Parks and Improvements	1,532,196	1,214,046	-	-	1,532,196	1,214,046
Sidewalk Improvements	517,882	517,882	-	-	517,882	517,882
Vehicles	1,101,987	1,049,235	167,968	167,968	1,269,955	1,217,203
Machinery and Equipment	618,689	591,988	415,394	338,185	1,034,083	930,173
Furniture and Fixtures	27,270	27,270	15,145	15,145	42,415	42,415
Computers and Software	45,852	45,852	37,226	37,226	83,078	83,078
Infrastructure	1,064,673	1,064,673	-	-	1,064,673	1,064,673
Gas Utility System	-	-	574,654	574,654	574,654	574,654
Water Utility System	-	-	5,267,405	5,267,405	5,267,405	5,267,405
Sewer Utility System	-	-	9,817,564	9,815,392	9,817,564	9,815,392
Subtotal Capital Assets	5,999,440	5,601,837	16,876,503	16,597,922	22,875,943	22,199,759
Less: Accumulated Depreciation	(3,442,518)	(3,222,429)	(7,062,758)	(6,661,365)	(10,505,276)	(9,883,794)
Capital Assets, Net	\$ 2,556,922	\$ 2,379,408	\$ 9,813,745	\$ 9,936,557	\$ 12,370,667	\$ 12,315,965

Governmental Activities capital assets increased by \$397,603 before depreciation of \$220,089, with increases consisting of \$272,506 for park improvements that were donated from Livingston Parish Recreation District No. 7, \$7,677 for equipment for recreation that were donated from Livingston Parish Recreation District No. 7, \$45,644 for park improvements, \$17,789 for equipment for recreation, \$72,598 for police vehicles and related equipment, and \$1,235 for fire department equipment. The Town also sold a 2006 police vehicle for \$735. The vehicle had an original cost of \$19,846 and was fully depreciated.

Capital assets for business-type activities capital assets increased by \$278,581 before depreciation of \$401,393. Significant additions included \$199,200 for construction expenditures for the Red Oak sewer treatment plant project, \$49,599 for generator at the new water well site, \$18,710 for generator installation at various lift stations, \$6,486 for gas department equipment, \$2,172 for sewer system improvements, \$1,900 for various equipment for the utility departments, and \$514 for sewer department equipment.

Long-Term Debt

At December 31, 2019, the Town had total debt outstanding of \$9,803,447. Of this total, \$225,851 is due within one year and \$9,577,596 is due within greater than one year. The following table provides a summary of the Town's outstanding debt at the end of the current year as compared to the prior year.

Town of Livingston

**Management's Discussion and Analysis
As of and for the Year Ended December 31, 2019**

**Outstanding Debt
2019 and 2018**

	Governmental		Business-Type Activities		Total	
	Activities					
	2019	2018	2019	2018	2019	2018
Capital Leases	\$ 61,273	\$ 28,869	\$ 55,548	\$ 53,486	\$ 116,821	\$ 82,355
Rev Bonds / Cert of Indebt.	-	-	9,686,626	4,611,435	9,686,626	4,611,435
Total Outstanding Debt	\$ 61,273	\$ 28,869	\$ 9,742,174	\$ 4,664,921	\$ 9,803,447	\$ 4,693,790

Long term debt increased \$5,109,657 related to Series 2019 issuance of \$5,285,000 and new capital lease of \$100,744 less principal payments of \$196,278. Interest rates for long-term debt range from 2% to 4%. For more detailed information, see Note 13 to the financial statements in this report.

Bonds financed for the Town require a specific debt to net income ratio of 125%. As noted in Note 14, the Town met the required ratio for the fiscal year ended December 31, 2019.

Other Factors Affecting the Town

The Town of Livingston's management approach is conservative. When possible, the Mayor and Aldermen attempt to provide services for the Town based on existing revenues and to finance long-term projects only when absolutely necessary. The Town actively pursues grant funds to minimize the cost of major projects to its citizens. The Town also attempts to keep utility rates at the minimum required to cover the costs of utility system operation. However, gas system rates are largely dependent on the amounts charged the Town for the cost of gas sold. In addition, the Town is required to respond to the need for sewer system improvements as mandated for municipalities by the United States Environmental Protection Agency and the Louisiana Department of Environmental Quality.

Contacting the Town's Financial Management

This financial report is designed to provide the Town's citizens, taxpayers, creditors and investors with a general overview of the Town's finances and show the Town's accountability for the money it receives. Questions regarding this report or requests for additional information should be addressed to the Town of Livingston at 20550 Circle Drive, Livingston, Louisiana 70754, telephone (225) 686-7773.

Basic Financial Statements
Government-Wide Financial Statements

Statement A

Town of Livingston
Statement of Net Position
As of December 31, 2019

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
Assets			
Current Assets:			
Cash and Cash Equivalents	\$ 419,425	\$ 1,930,874	\$ 2,350,299
Investments	140,216	-	140,216
Receivables, Net:			
Accounts	489	291,944	292,433
Intergovernmental	11,010	-	11,010
Other	62,890	81,959	144,849
Taxes	98,259	-	98,259
Due From Other Funds	55,600	-	55,600
Inventory	-	3,097	3,097
Prepaid Expenses	41,171	23,193	64,364
Total Current Assets	829,060	2,331,067	3,160,127
Restricted Assets:			
Restricted Cash and Cash Equivalents	-	5,355,838	5,355,838
Total Restricted Assets	-	5,355,838	5,355,838
Capital Assets:			
Land	138,634	-	138,634
Construction in Progress	38,044	241,200	279,244
Capital Assets, Net	2,380,244	9,572,545	11,952,789
Total Capital Assets	2,556,922	9,813,745	12,370,667
Other Assets:			
Unamortized Bond Insurance Costs	-	46,934	46,934
Total Assets	3,385,982	17,547,584	20,933,566
Deferred Outflows of Resources			
Pension Related	295,934	102,892	398,826
Advanced Bond Refunding	-	696,692	696,692
Total Deferred Outflows of Resources	295,934	799,584	1,095,518
Liabilities			
Current Liabilities:			
Accounts Payable	35,665	49,550	85,215
Other Accrued Payables	62,130	144,830	206,960
Due To Other Funds	-	55,600	55,600
Customer Deposits	-	203,321	203,321
Bonds Payable	-	160,000	160,000
Capital Leases	29,525	36,326	65,851
Total Current Liabilities	127,320	649,627	776,947
Long Term Liabilities:			
Bonds Payable	-	9,526,626	9,526,626
Capital Leases	31,748	19,222	50,970
Net Pension Liability	1,020,317	400,574	1,420,891
Total Long Term Liabilities	1,052,065	9,946,422	10,998,487
Total Liabilities	1,179,385	10,596,049	11,775,434
Deferred Inflows of Resources			
Pension Related	38,977	18,105	57,082
Total Deferred Inflows of Resources	38,977	18,105	57,082
Net Position			
Net Investment in Capital Assets	2,495,649	5,650,568	8,146,217
Restricted for:			
Capital Projects and Debt Service	-	270,062	270,062
Unrestricted	(32,095)	1,812,384	1,780,289
Total Net Position	\$ 2,463,554	\$ 7,733,014	\$ 10,196,568

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

**Town of Livingston
Statement of Activities
For the year ended December 31, 2019**

	Expenses	Program Revenues		
		Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions
Governmental Activities				
General Government	\$ 728,634	\$ 192,226	\$ 9,685	\$ -
Public Safety - Police Protection	611,970	286,247	56,540	-
Public Safety - Fire Protection	108,032	-	40,586	-
Public Works - Streets	252,020	-	-	-
Sanitation	213,664	218,020	-	-
Health and Welfare	3,005	-	-	-
Recreation	398,828	284,842	-	-
Capital Lease Interest	1,922	-	-	-
Total Governmental Activities	<u>2,318,075</u>	<u>981,335</u>	<u>106,811</u>	<u>-</u>
Business-type Activities				
Gas	443,355	622,283	3,698	-
Water	643,448	1,231,642	4,931	-
Sewer	1,157,973	827,775	3,698	-
Total Business-type Activities	<u>2,244,776</u>	<u>2,681,700</u>	<u>12,327</u>	<u>-</u>
Total All Activities	<u>\$ 4,562,851</u>	<u>\$ 3,663,035</u>	<u>\$ 119,138</u>	<u>\$ -</u>

General Revenues:

Taxes:

- Franchise Taxes
- Property Taxes
- Sales and Use Taxes
- Other Taxes

Interest Income

Donations

Miscellaneous

Reimbursement of Expenses from FEMA

Operating Transfers In (Out)

Gain on Sale of Assets

Total General Revenues and Transfers

Change in Net Position

Net Position - Beginning

Net Position - Ending

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

Statement B

Net (Expenses) Revenues and Changes in Net Position			
Net (Expenses) Revenues	Governmental Activities	Business-Type Activities	Total
\$ (526,723)	\$ (526,723)	\$ -	\$ (526,723)
(269,183)	(269,183)	-	(269,183)
(67,446)	(67,446)	-	(67,446)
(252,020)	(252,020)	-	(252,020)
4,356	4,356	-	4,356
(3,005)	(3,005)	-	(3,005)
(113,986)	(113,986)	-	(113,986)
(1,922)	(1,922)	-	(1,922)
(1,229,929)	(1,229,929)	-	(1,229,929)
182,626	-	182,626	182,626
593,125	-	593,125	593,125
(326,500)	-	(326,500)	(326,500)
449,251	-	449,251	449,251
\$ (780,678)	(1,229,929)	449,251	(780,678)
	158,694	-	158,694
	59,252	-	59,252
	538,967	-	538,967
	9,685	-	9,685
	3,360	50,731	54,091
	280,183	-	280,183
	7,877	-	7,877
	8,833	-	8,833
	168,735	(168,735)	-
	735	-	735
	1,236,321	(118,004)	1,118,317
	6,392	331,247	337,639
	2,457,162	7,401,767	9,858,929
\$ 2,463,554	\$ 7,733,014	\$ 10,196,568	\$ 10,196,568

Basic Financial Statements

Fund Financial Statements

Town of Livingston
Balance Sheet, Governmental Funds
As of December 31, 2019

		<u>General Fund</u>
Assets		
Cash and Equivalents	\$	419,425
Investments		140,216
Receivables, Net:		
Intergovernmental		11,010
Accounts		489
Other		62,890
Taxes		98,259
Due From Other Funds		55,600
Prepaid Insurance		41,171
Total Assets	\$	<u>829,060</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances		
Liabilities:		
Accounts Payable	\$	35,665
Accrued Salaries		27,142
Other Accrued Liabilities		34,988
Due to Other Funds		-
Total Liabilities		<u>97,795</u>
Deferred Inflows of Resources:		
Unavailable Ad Valorem Taxes		18,969
Total Deferred Inflows of Resources		<u>18,969</u>
Fund Balances:		
Nonspendable		41,171
Restricted		-
Unassigned		671,125
Total Fund Balances		<u>712,296</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$	<u>829,060</u>

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

Statement D

Town of Livingston
Reconciliation of the Governmental Funds Balance Sheet
to the Government-Wide Financial Statement of Net Position
As of December 31, 2019

Amounts reported for governmental activities in the Statement of Net Position are different because:

Fund Balances, Total Governmental Funds (Statement C)	\$ 712,296
Capital assets used in governmental activities are not financial resources and are therefore not reported in the governmental funds.	
Governmental capital assets net of depreciation	2,556,922
Long-term liabilities including capital lease payable are not due and payable in the current period and, therefore, are not reported in the governmental funds.	
Capital Leases Payable	(61,273)
Net Pension Liability	(1,020,317)
Deferred Outflows of Resources	295,934
Deferred Inflows of Resources	(38,977)
Ad Valorem taxes collected after year-end, but not available soon enough to pay for current expenditures	18,969
Net Position of Governmental Activities (Statement A)	<u>\$ 2,463,554</u>

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

Statement E

Town of Livingston
Statement of Revenues, Expenditures and
Changes in Fund Balances
For the year ended December 31, 2019

	<u>General Fund</u>
Revenues	
Taxes	\$ 755,801
Licenses and Permits	192,226
Intergovernmental	87,899
Sanitation Fees	218,020
Fines and Forfeitures	285,197
Grants	3,200
Interest	3,360
Parks and Recreation	284,842
Donations	280,183
Miscellaneous	8,987
Total Revenues	<u>2,119,715</u>
Expenditures	
General Government	675,115
Public Safety:	
Police	510,969
Fire	91,343
Streets	160,098
Sanitation	213,664
Health and Welfare	3,005
Recreation	299,313
Capital Outlays	417,449
Debt Service	
Principal	30,204
Interest	1,922
Total Expenditures	<u>2,403,082</u>
Excess (Deficiency) of Revenues Over (Under)	<u>(283,367)</u>
Other Financing Sources (Uses)	
Operating Transfers In	168,735
Operating Transfers (Out)	-
Sale of Fixed Assets	735
Capital Lease Proceeds	62,608
Federal Emergency Management Reimbursements	8,833
Total Other Financing Sources (Uses)	<u>240,911</u>
Net Change in Fund Balances	<u>(42,456)</u>
Fund Balances, Beginning	<u>754,752</u>
Fund Balances , Ending	<u>\$ 712,296</u>

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

Town of Livingston
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the year ended December 31, 2019

Amounts reported for governmental activities in the Statement of Activities are different because:

Net Change in Fund Balances, Total Governmental Funds, Statement E \$ (42,456)

Governmental funds report capital outlays as expenditures. However, in the statement of activities the costs of these assets are allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.

Expenditures for capital assets	\$	417,449	
Less:			
Proceeds from sale of assets		(735)	
Gain on sale of assets		735	
Current year depreciation		<u>(239,935)</u>	177,514

Repayment of capital lease principal is an expenditure in governmental funds but the repayment reduces long-term liabilities in the statement of net position. Proceeds received through capital leases are recorded as an other financing source in governmental funds, but as increases in a long term liability in the statement of net position.

Proceeds from capital leases	(62,608)		
Principal payments - capital leases	<u>30,204</u>		(32,404)

Non-employer contributions to cost-sharing pension plan			25,337
Pension Expense			(122,711)

Deferred inflows of resources for ad valorem taxes collected after year end, but not available soon enough to pay for current expenditures changed by the following			1,112
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Change in Net Position of Governmental Activities, Statement B \$ 6,392

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

Town of Livingston
Statement of Net Position - Proprietary Funds
As of December 31, 2019

Statement G

Assets

Current Assets:	
Cash and Cash Equivalents	\$ 1,930,874
Receivables, Net:	
Accounts	291,944
Other	81,959
Due From Other Funds	-
Inventory - Natural Gas	3,097
Prepaid Expenses	23,193
Total Current Assets	2,331,067
Restricted Assets:	
Restricted Cash and Cash Equivalents	5,355,838
Total Restricted Assets	5,355,838
Property, Plant, and Equipment	
Construction in Progress	241,200
Property, Plant and Equipment, Net	9,572,545
Total Property, Plant, and Equipment	9,813,745
Other Assets:	
Unamortized Bond Insurance Costs	46,934
Total Assets	17,547,584
Deferred Outflows of Resources	
Pension Related	102,892
Advanced Bond Refunding	696,692
Total Deferred Outflows of Resources	799,584
Liabilities	
Current Liabilities (Payable From Current Assets):	
Accounts Payable	49,550
Other Accrued Payables	144,830
Capital Lease Payable	36,326
Due To General Fund	55,600
Revenue Bonds Payable	160,000
Total Current Liabilities (Payable From Current Assets)	446,306
Current Liabilities (Payable From Restricted Assets):	
Customer Deposits	203,321
Total Current Liabilities (Payable From Restricted Assets)	203,321
Long Term Liabilities:	
Bonds Payable	9,526,626
Capital Lease Payable	19,222
Net Pension Liability	400,574
Total Long Term Liabilities	9,946,422
Total Liabilities	10,596,049
Deferred Inflows of Resources	
Pension Related	18,105
Total Deferred Inflows of Resources	18,105
Net Position	
Net Investment in Capital Assets	5,650,568
Restricted for:	
Capital Projects and Debt Service	270,062
Unrestricted	1,812,384
Total Net Position	\$ 7,733,014

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

Town of Livingston
Statement of Revenues, Expenses and
Changes in Net Position - Proprietary Funds
For the year ended December 31, 2019

	Business-Type Activities-			
	Enterprise Funds			
	Gas Utility	Water	Sewer	
	System	Utility	Utility	Total
	System	System	System	
Operating Revenues				
Gas Sales	\$ 605,797	\$ -	\$ -	\$ 605,797
Less Cost of Gas Sold	(138,549)	-	-	(138,549)
Gross Profit on Gas Sales	467,248	-	-	467,248
Water Sales	-	1,145,791	-	1,145,791
Sewer Service Charges	-	-	791,732	791,732
Intergovernmental	3,698	4,931	3,698	12,327
Other	16,486	85,851	36,043	138,380
Total Operating Revenues	487,432	1,236,573	831,473	2,555,478
Operating Expenses				
Depreciation and Amortization	20,769	147,390	234,855	403,014
Employee Benefits	62,535	83,378	62,534	208,447
Insurance	-	55,752	-	55,752
Other	25,988	69,769	126,600	222,357
Professional Fees	19,807	15,222	31,408	66,437
Repairs and Maintenance	32,112	57,297	51,200	140,609
Salaries and Wages	136,305	181,739	136,306	454,350
Supplies	6,875	11,447	7,272	25,594
Utilities	-	20,981	44,126	65,107
Total Operating Expenses	304,391	642,975	694,301	1,641,667
Operating Income (Loss)	183,041	593,598	137,172	913,811
Nonoperating Revenues (Expenses)				
Bond Issuance Costs	-	-	(193,324)	(193,324)
Interest Income	33	915	49,783	50,731
Interest Expense	(383)	(505)	(270,348)	(271,236)
Total Nonoperating Revenues (Expenses)	(350)	410	(413,889)	(413,829)
Income (Loss) Before Contributions and Transfers	182,691	594,008	(276,717)	499,982
Contributions and Transfers				
Capital Contributions	-	-	-	-
Operating Transfers In	-	-	-	-
Operating Transfers Out	(50,621)	(67,493)	(50,621)	(168,735)
Change in Net Position	132,070	526,515	(327,338)	331,247
Total Net Position, Beginning				7,401,767
Total Net Position, Ending				\$ 7,733,014

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

**Town of Livingston
Statement of Cash Flows
Proprietary Funds
For the year ended December 31, 2019**

Statement I

	<u>Enterprise Fund</u>
Cash Flows From Operating Activities	
Received From Customers	\$ 2,540,118
Received for Meter Deposit Fees	8,817
Other Receipts	178,398
(Payments for) Interfund Services	171,775
(Payments for) Operations	(743,081)
(Payments to) Employees	(621,543)
Net Cash Provided (Used) by Operating Activities	<u>1,534,484</u>
Cash Flows From Noncapital Financing Activities	
Transfers From (To) Other Funds	(168,735)
Net Cash Provided (Used) by Noncapital Financing Activities	<u>(168,735)</u>
Cash Flows From Capital and Related Financing Activities	
Capital Grants Received	-
(Payments for) Capital Acquisitions	(276,519)
(Payments for) for Debt Issue Costs	(193,324)
Principal Proceeds from (Repayments for) Long Term Debt	5,083,292
Interest Payments for Long Term Debt	(202,315)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>4,411,134</u>
Cash Flows From Investing Activities	
Receipt of Interest	50,731
Net Cash Provided (Used) by Investing Activities	<u>50,731</u>
Net Cash Increase (Decrease) in Cash and Cash Equivalents	5,827,614
Cash and Cash Equivalents, Beginning of Year	<u>1,459,098</u>
Cash and Cash Equivalents, End of Year	<u>\$ 7,286,712</u>
Reconciliation of Cash and Cash Equivalents to the Statement of Net Position:	
Cash and Cash Equivalents, Unrestricted	\$ 1,930,874
Cash and Cash Equivalents, Restricted	<u>5,355,838</u>
Total Cash and Cash Equivalents	<u>\$ 7,286,712</u>

(Continued)

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

Town of Livingston
Statement of Cash Flows
Proprietary Funds
For the year ended December 31, 2019

Statement I

		<u>Enterprise Fund</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities		
Operating Income (Loss)	\$	913,811
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:		
Depreciation		403,014
(Increase) decrease in Accounts Receivable		(3,202)
(Increase) decrease in Other Receivable		27,691
(Increase) decrease in Inventory		64
(Increase) decrease in Prepaid Insurance		89
(Increase) decrease in Deferred Outflows of Resources		22,515
(Increase) decrease in Due (to) and from Other Funds		171,775
Increase (decrease) in Accounts Payable		6,312
Increase (decrease) in Deferred Inflows of Resources		353
Increase (decrease) in Accrued Expenses		(16,755)
Increase (decrease) in Customer Deposits		8,817
Net Cash Provided by Operating Activities	\$	<u>1,534,484</u>

(Concluded)

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

Basic Financial Statements

Notes to the Financial Statements

Town of Livingston
Notes to the Financial Statements
As of and for the Year Ended December 31, 2019

Introduction

The Town of Livingston, Louisiana was incorporated November 4, 1955, under the provisions of the Lawrason Act. The Town operates under a Mayor/Board of Aldermen form of government. The Mayor and each of five aldermen are elected at large for four-year terms. The Mayor and Aldermen are compensated per diem for each meeting attended; in addition, the Mayor receives a salary. The Town is located 28 miles east of Baton Rouge, Louisiana, north of Interstate Highway 12, with U.S. Highway 190 intersecting the northern part of the Town.

The Town's total population is 1,769, as reported by the U.S. Census Bureau, Census 2010. The Town provides police and fire protection, services to maintain and develop streets, drainage, and sanitation, support of recreation activities, general and administrative services, and utilities services for area residents. The Town provides water, gas, and sewer utility services to 2,551 water customers, 663 gas customers, and 1,487 sewer customers inside and outside of the Town limits. The water distribution system provides services for Town of Livingston, Satsuma, and Brentwood. The current sewerage system consists of two separate collection systems with two separate sewerage treatment plants. The first and larger of the sewerage treatment plants is located at the Red Oak Facility in the Town of Livingston. The second is located in the subdivision of Brentwood and services the Satsuma area. The Town employs 32 full-time employees in addition to the Mayor and Board of Aldermen.

Governmental Accounting Standards Board (GASB) Statement No. 14, as amended, establishes criteria for determining the reporting entity and component units that should be included within the reporting entity. Under provisions of this statement, the Town of Livingston is considered a primary government, since it is a local special purpose government that has a separately elected governing body.

1. Summary of Significant Accounting Policies

A. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

These financial statements are presented in accordance with GASB Statement No. 34, *Basic Financial Statements, Management's Discussion and Analysis, for State and Local Governments*, as amended by GASB Statements described in the following paragraphs. Statement No. 34 established standards for financial reporting, with presentation requirements originally including a statement of net position (or balance sheet), a statement of activities, and a statement of cash flows. The definition and composition of these statements, as originally defined in GASB Statement No. 34, are as amended by GASB Statements included in the following paragraphs. The District has also adopted the provisions of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions* that require capital contributions to the District to be presented as a change in net position.

GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, effective for financial statement periods ending after December 15, 2012, provides guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position and related disclosures. Concepts Statement No. 4, *Elements of Financial Statements*, introduced and defined *Deferred Outflows of Resources* as a consumption of net

Town of Livingston
Notes to the Financial Statements
As of and for the Year Ended December 31, 2019

assets by the government that is applicable to a future reporting period, and *Deferred Inflows of Resources* as an acquisition of net position by the government that is applicable to a future reporting period, respectively. Previous financial reporting standards do not include guidance for reporting those financial statement elements, which are distinct from assets and liabilities. GASB Concepts Statement 4 identifies net position as the residual of all other elements presented in a statement of financial position. This Statement amends the net asset reporting requirements in Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, and other pronouncements by incorporating deferred outflows of resources and deferred inflows of resources into the definitions of the required components of the residual measure and by renaming that measure as net position, rather than net assets. The definition and reporting of net position is further described in *Footnote J – Net Position and Fund Equity*. As required by the Governmental Accounting Standards Board (GASB), the Town implemented GASB Statement No. 63 during the year ending December 31, 2012. The Town had deferred outflows and deferred inflows of resources related to pension and advanced bond refunding of \$1,095,518 and \$57,082, respectively, at December 31, 2019.

The Town has also adopted GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. This Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. The application of this standard to long-term debt offerings of the District is more fully described in *Footnote I – Long-Term Obligations*.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segments are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, and proprietary funds. Major individual governmental funds and major individual enterprise funds are presented as separate columns in the fund financial statements.

B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessment receivable, if any, due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The Town reports the following major governmental funds:

The *General Fund* is the Town's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Town reports the following major proprietary fund:

The *Enterprise Funds* account for operations (a) that are financed and operated in a manner similar to private business enterprise where the intent of the governing body is that costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user fees, or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule, if applicable, are payments-in-lieu of taxes and other charges between the government's enterprise operations. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the proprietary funds are user charges for the services provided by the enterprise funds. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the Town's policy to use restricted resources first, then unrestricted or unassigned resources as they are needed.

When restricted, committed, assigned, or unassigned fund balances are available for use, the Town considers amounts to have been spent first out of restricted funds, and then committed funds, then assigned funds, and finally unassigned funds as needed, unless it has been provided for otherwise in the restriction, commitment, or assignment action.

C. Deposits and Investments

The Town's cash and cash equivalents are considered to be cash on hand, demand deposits, time deposits, and short-term investments with original maturities of three months or less from the date of acquisition. State law and the Town's investment policy allow the Town to invest in collateralized certificates of

Town of Livingston
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deposit, government-backed securities, commercial paper, the state-sponsored investment pool, and mutual funds consisting solely of government-backed securities.

Investments for the Town are reported at fair market value. The state investment pool, LAMP, operates in accordance with state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares. Investments are limited by Louisiana Revised Statute (R.S.) 33:2955 and the Town's investment policy.

D. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/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."

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

All trade and property tax receivables are shown net of an allowance for uncollectible amounts.

Property taxes are levied on a calendar year basis and become due on January 1 of each year. The following is a summary of authorized and levied ad valorem taxes:

	Authorized Millage	Levied Millage	Expiration Date
General Corporate Purposes	4.77 mills	4.77 mills	None

Sales and use taxes are levied at one percent for perpetuity. The proceeds of this sales and use tax are dedicated to general corporate purposes.

E. Inventories and Prepaid Items

All inventories are valued at cost using the first-in/first-out method. Inventories of the governmental funds are recorded as expenditures when consumed rather than when purchased. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

F. Restricted Assets

Certain proceeds of the enterprise fund revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets because their use is limited by applicable bond covenants. Additionally, funds held for customer's meter deposits are also classified as restricted assets.

Certain amounts shown as governmental restricted assets are to be used for specified purposes, such as construction of capital assets and servicing capital leases. Such assets have been restricted by bond indenture, law, or contractual obligations.

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G. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The municipality maintains a threshold level of \$500 or more for capitalizing capital assets.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Effective for fiscal year 2019, the Town no longer capitalizes interest during the construction period on a prospective basis as per GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*.

All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Buildings & Improvements	20 - 40 Years
Vehicles and Equipment	5 - 15 Years
Furniture and Fixtures	5 - 10 Years
Computers and Software	5 Years
Infrastructure	20 - 40 Years
Gas System	20 - 40 Years
Water System	20 - 40 Years
Sewer System	20 - 40 Years

H. Compensated Absences

The Town has the following policy related to vacation and sick leave:

All employees during their first and second year of service will receive one-week paid vacation each year. One week of vacation can be taken after the first six months of the first year. Employees with two or more years of service will receive two weeks paid vacation each year. Employees with ten years or more will receive three weeks. Employees with twenty years or more will receive four weeks. Preference will be posted by January 15 of each year. Vacations will be approved by the department head and the Mayor. Vacation will be calculated on a calendar year. An employee hired after the first six months of a year will receive one week during the following calendar year. Vacation time accrued must be taken by the end of the fiscal year.

After six months employment, an employee may receive eight hours sick leave each month. After two years employment, the sick leave will increase to ten hours each month. All employees who have been employed by the Town five years or longer will receive twelve hours sick leave each month. An employee may accumulate a maximum of one thousand four hundred forty hours sick leave. No pay shall be granted for sick days if employee resigns or is terminated. No sick days shall be taken in lieu of vacations.

Town of Livingston
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In accordance with GASB-16, *Accounting for Compensated Absences*, no liability has been accrued for unused employee sick leave.

I. Long-Term Obligations

In the government-wide financial statements and the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Issuance costs, whether or not withheld from the actual debt proceeds received, are now expensed in the period incurred under GASB 65.

The Town has implemented GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, and with the implementation of GASB 65, the recognition of bond-related costs, including the costs related to issuance and refunding of debt, were revised. This standard was intended to compliment GASB Statement No. 63 *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. Bond issuance costs, whether or not withheld from the actual debt proceeds received, are now expensed in the period incurred under GASB 65. The Town had \$193,324 in bond related costs in the year ending December 31, 2019 related to Utility System Revenue Bonds Series 2019.

In the fund financial statements, governmental fund types recognize bond premiums and discounts as well as bond issuance costs during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

J. Net Position and Fund Equity

GASB Statement No. 34, *Basic Financial Statements, Management's Discussion and Analysis, for State and Local Governments*, required reclassification of net assets into three separate components. GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, revised the terminology by incorporating deferred outflows of resources and deferred inflows of resources into the definitions of the required components of the residual measure and by renaming that measure as net position, rather than net assets. GASB Statement No. 63 requires the following components of net position:

- **Net Investment in Capital Assets Component of Net Position** – The *net investment in capital assets* component of net position includes capital assets, net of accumulated depreciation, reduced by the outstanding balance of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt also should be included in the component of net position. If there are significant unspent proceeds at year-end, the portion of the debt attributable to the unspent proceeds is not included in the calculation of invested in capital assets, net of related debt. Rather, that portion of the debt or deferred inflows or resources should be included in the same net position component (restricted or unrestricted) as the unspent amount.
- **Restricted Component of Net Position** - The *restricted* component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Generally, a liability relates to restricted assets if the asset results from a resource flow

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that also results in the recognition of a liability or if the liability will be liquidated with the restricted assets reported.

- **Unrestricted Component of Net Position** - The *unrestricted* component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

In the fund statements, governmental fund equity is classified as fund balance. The Town adopted GASB 54 for the year ended December 31, 2011. As such, fund balances of governmental funds are classified as follows:

- **Nonspendable.** These are amounts that cannot be spent either, because they are in a nonspendable form or because they are legally or contractually required to be maintained intact.
- **Restricted.** These are amounts that can be spent only for specific purposes, because of constitutional provisions, enabling legislation or constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.
- **Committed.** These are amounts that can be used only for specific purposes determined by a formal decision of the Board, which is the highest level of decision-making authority for the Town.
- **Assigned.** These are amounts that do not meet the criteria to be classified as restricted or committed, but are intended to be used for specific purposes based on the discretion of the Board.
- **Unassigned.** These are amounts that have not been assigned to other funds and amounts that have not been restricted, committed, or assigned to specific purposes within the general fund. Also, within other governmental funds, these include expenditure amounts incurred for specific purposes which exceed the amounts restricted, committed, or assigned for those purposes.

K. Comparative Data/Reclassifications

Certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation. All prior period adjustments recorded in the current period have been reflected in prior period data presented wherever possible.

L. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events within the control of the municipality, which are either unusual in nature or infrequent in occurrence.

M. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of

Town of Livingston
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the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

N. Reconciliations of Government-Wide and Fund Financial Statements

Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position is presented in Statement D of the basic financial statements. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities is presented in Statement F of the basic financial statements.

2. Stewardship, Compliance and Accountability

The Town uses the following budget practices:

1. The Town Clerk prepares a proposed budget and submits same to the Mayor and Board of Aldermen no later than fifteen days prior to the beginning of each fiscal year.
2. A summary of the proposed budget is published and the public notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
3. A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing.
4. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is adopted through passage of an ordinance prior to the commencement of the fiscal year for which the budget is being adopted.
5. Budgetary amendments involving the transfer of funds from one department, program or function to another or involving the increase in expenditures resulting from revenues exceeding amounts estimated require the approval of the Board of Aldermen.
6. All budgetary appropriations lapse at the end of each fiscal year.
7. Budgets for the general and enterprise funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgets for enterprise funds are presented on the accrual basis of accounting. Other governmental funds are presented on the modified accrual basis of accounting. Accordingly, the budgetary comparison schedules present actual expenditures in accordance with the accounting principles generally accepted in the United States on a basis consistent with the legally adopted budgets as amended. All budgetary amounts presented reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budget during the year).

The General Fund had no actual revenues and other sources over budgeted amounts resulting in unfavorable variances greater than five percent in accordance with the Local Government Budget Act for the fiscal year ended December 31, 2019. Actual expenditures and other uses of the General Fund were over five percent of the budgeted amounts. This was due to capital outlay of donated assets from Livingston Parish Recreation District No. 7.

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3. Cash and Cash Equivalents

At December 31, 2019, the Town has cash and cash equivalents (book balances) as follows:

	December 31, 2019	December 31, 2018
Cash on Hand	\$ 100	\$ 100
Demand Deposits	7,706,002	2,179,768
Time and Savings	35	33
Total Cash and Cash Equivalents	7,706,137	2,179,901
Other Deposits:		
Louisiana Asset Management Pool (See Note 4)	140,216	137,108
Total Deposits	\$ 7,846,353	\$ 2,317,009

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

Custodial credit risk as it relates to cash deposits is the risk that in the event of a bank failure, the government's deposits may not be returned. At December 31, 2019, the Town has \$7,689,925 in deposits (collected bank balances other than LAMP), consisting of \$2,596,244 in demand deposits and \$5,093,681 in time deposits. The deposits at the first bank totaling \$33 are secured from risk by the Trust Department of the respective bank, and at December 31, 2019 consisted of U.S. Treasury Obligations. The deposits at the second bank totaling \$5,093,648 are secured from risk by the Trust Department of the respective bank, and at December 31, 2019 consisted of U.S. Treasury Obligations. The deposits at the third bank totaling \$2,596,244 are secured from risk by \$250,000 of federal deposit insurance and \$2,346,244 of pledged securities. The \$2,346,244 is exposed to custodial credit risk because while the amount is secured by pledged securities, such securities are held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the municipality that the fiscal agent has failed to pay deposited funds upon demand.

Custodial Credit Risk: Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Town does not have a formal policy for custodial risk. However, under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank.

4. Investments

Investments are categorized into these three categories of credit risk:

1. Insured or registered, or securities held by the town or its agent in the Town's name
2. Uninsured and unregistered, with securities held by the counterparty's trust department or agent in the Town's name

Town of Livingston
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3. Uninsured and unregistered, with securities held by the counterparty, or by its trust department or agent but not in the Town's name

All investments held by the Town fall into category 1 credit risk, defined as “insured or registered, or securities held by the Town or its agent in the Town’s name.” In accordance with GASB 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, all investments are carried at fair market value, with the estimated fair market value based on quoted market prices.

Interest Rate Risk: The Town does not have a formal investment policy that limits investments maturities as a means of managing its exposure to fair value arising from increasing interest rates.

At December 31, 2019, the Town’s investment balances were as follows:

	Carrying Amount	Fair Market Value
Louisiana Asset Management Pool	140,216	140,216
Total	\$ 140,216	\$ 140,216

In accordance with GASB Codification Section 150.165, the investment in the Louisiana Asset Management Pool (LAMP) at December 31, 2019, is not categorized in the three risk categories provided by GASB Codification Section 150.164 because the investment is in the pool of funds and therefore not evidenced by securities that exist in physical or book entry form. The investment in LAMP is stated at the value of the pool shares, which is the same as the fair value.

LAMP is administered by LAMP, Inc., a nonprofit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high-quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LA-R.S. 33:2955.

GASB 40, *Deposit and Investment Risk Disclosure*, requires disclosure of credit risk, custodial credit risk, concentration of credit risk interest rate risk, and foreign currency risk for all public entity investments.

LAMP is a 2a7 – like investment pool. The following facts are relevant for 2a7 like investment pools:

1. Credit risk: LAMP is rated AAAM by Standards and Poor’s.
2. Custodial credit risk: LAMP participants’ investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity’s investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required.
3. Concentration of credit risk: Pooled investments are excluded from the five percent disclosure requirement.
4. Interest rate risk: 2a7-like investment pools are excluded from this disclosure requirement per paragraph 15 of the GASB 40 statement. However, LAMP prepares its own interest rate risk disclosure using the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 60 days, and consists of no securities with a maturity in excess of 397 days. The WAM for LAMP’s total investments, as provided by LAMP, is 46 days as of December 31, 2019.
5. Foreign currency risk: Not applicable to 2a7-like pools.

Town of Livingston
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The investments in LAMP are stated at fair value based on quoted market rates. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the net asset value of the pool shares.

LAMP, Inc. is subject to the regulatory oversight of the State Treasurer and the Board of Directors. LAMP is not registered with the SEC as an investment company.

LAMP, Inc., issues an annual publicly available financial report that includes financial statements and required supplementary information for LAMP, Inc. That report may be obtained by calling (800) 249-5267.

5. Receivables

Major receivables balances for the governmental activities include sales taxes, franchise taxes, occupational licenses, and fines. Business-type activities report utilities earnings as their major receivable.

In the fund financial statements, material receivables in governmental funds include revenue accruals such as sales tax, franchise taxes, occupational licenses, fines, and other similar intergovernmental revenues since they are usually both measurable and available. Utility accounts receivable comprise the majority of proprietary fund receivables.

Proprietary fund revenues consist of all revenues earned at year-end and not yet received. Utility accounts receivable comprise the majority of proprietary fund receivables. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging and write-off of accounts receivable.

The Governmental Fund receivables at December 31, 2019 consist of the following:

Government Receivables	General Fund
Taxes:	
Ad Valorem	\$ 22,817
Public Utility Franchise	38,785
Sales and Use Tax	36,657
Intergovernmental:	
State of Louisiana, Beer Tax Distribution	2,177
FEMA	8,833
Capital Lease Proceeds	62,608
Royalties	282
Total Government Receivables	\$ 172,159

Town of Livingston
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The Enterprise Fund accounts receivable at December 31, 2019 consists of the following:

	<u>Enterprise Fund</u>
Accounts Receivable	
Current	\$ 252,714
31 - 60 Days	56,513
61 - 90 Days	10,412
Over 90 Days	<u>82,887</u>
Subtotal	402,526
Less Allowance for Bad Debt	<u>(110,582)</u>
Accounts Receivables, Net	291,944
Accrued Billings	<u>-</u>
Total Accounts Receivable	<u><u>\$ 291,944</u></u>

For the fiscal year ended December 31, 2019, there was no bad debt expense recorded. The uncollectible allowance was in excess of the receivables due over 90 days. During the fiscal year, the Town evaluated and improved the utility billing procedures. The Town is still analyzing some past due accounts to determine the collectability.

6. Interfund Receivables/Payables

The following is a detailed list of inter-fund balances reported in the fund financial statements on December 31, 2019:

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
Interfund Balances		
General Fund	\$ 55,600	\$ -
Enterprise Fund	<u>-</u>	<u>(55,600)</u>
Total Interfund Balances	<u><u>\$ 55,600</u></u>	<u><u>\$ (55,600)</u></u>

The balance due between funds represents payroll and sanitation fees due to the General Fund from the Enterprise Fund at December 31, 2019.

7. Restricted Assets

Restricted assets for the Governmental Funds and Enterprise Fund at December 31, 2019 and 2018 were as follows:

	<u>December 31, 2019</u>	<u>December 31, 2018</u>
Restricted Cash and Cash Equivalents		
Enterprise Fund		
Customer Deposits	\$ 203,321	\$ 194,504
Bond Sinking Account	270,062	175,924
Series 2019 Construction	<u>4,882,455</u>	<u>-</u>
Total Restricted Assets	<u><u>\$ 5,355,838</u></u>	<u><u>\$ 370,428</u></u>

Town of Livingston
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8. Capital Assets

Capital assets and depreciation activity as of and for the year ended December 31, 2019 for governmental activities is as follows:

Governmental Activities Capital Assets:	Beginning Balance	Increases	Decreases	Adjustments	Ending Balance
Capital Assets Not Being Depreciated:					
Land	\$ 138,634	\$ -	\$ -	\$ -	\$ 138,634
Construction in Progress	38,044	-	-	-	38,044
Total Capital Assets Not Being Depreciated	176,678	-	-	-	176,678
Capital Assets Being Depreciated:					
Buildings and Improvements	914,213	-	-	-	914,213
Parks and Improvements	1,214,046	318,150	-	-	1,532,196
Sidewalk Improvements	517,882	-	-	-	517,882
Vehicles	1,049,235	72,598	(19,846)	-	1,101,987
Machinery and Equipment	591,988	26,701	-	-	618,689
Furniture and Fixtures	27,270	-	-	-	27,270
Computers and Software	45,852	-	-	-	45,852
Infrastructure	1,064,673	-	-	-	1,064,673
Total Capital Assets Being Depreciated	5,425,159	417,449	(19,846)	-	5,822,762
Less Accumulated Depreciation for:					
Buildings and Improvements	527,938	27,151	-	-	555,089
Parks and Improvements	686,505	63,815	-	-	750,320
Sidewalk Improvements	288,040	25,894	-	-	313,934
Vehicles	916,528	32,545	(19,846)	-	929,227
Machinery and Equipment	503,940	37,250	-	-	541,190
Furniture and Fixtures	26,241	229	-	-	26,470
Computers and Software	42,300	946	-	-	43,246
Infrastructure	230,937	52,105	-	-	283,042
Total Accumulated Depreciation	3,222,429	239,935	(19,846)	-	3,442,518
Total Capital Assets Being Depreciated, Net	2,202,730	177,514	-	-	2,380,244
Total Governmental Activities Capital Assets, Net	\$ 2,379,408	\$ 177,514	\$ -	\$ -	\$ 2,556,922

Depreciation was charged to governmental functions as follows:

General Government	\$ 11,664
Public Safety - Police Protection	20,145
Public Safety - Fire Protection	16,689
Public Works - Streets	91,922
Parks and Recreation	99,515
	<u>\$ 239,935</u>

Governmental Activities capital assets increased by \$397,603 before depreciation of \$220,089, with increases consisting of \$272,506 for park improvements that were donated from Livingston Parish Recreation District No. 7, \$7,677 for equipment for recreation that were donated from Livingston Parish Recreation District No. 7, \$45,644 for park improvements, \$17,789 for equipment for recreation, \$72,598

Town of Livingston
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As of and for the Year Ended December 31, 2019

for police vehicles and related equipment, and \$1,235 for fire department equipment. The Town also sold a 2006 police vehicle for \$735. The vehicle had an original cost of \$19,846 and was fully depreciated.

Included in vehicles are Ford Expedition and a Dodge Durango acquired in a previous fiscal period and two Chevy Tahoes acquired in the current fiscal period which are all financed under a capital lease in the gross amount of \$119,449 with related accumulated depreciation of \$32,882.

Capital assets and depreciation activity as of and for the year ended December 31, 2019 for business-type activities is as follows:

Business - Type Activities Capital Assets:	Beginning Balance	Increases	Decreases	Adjustments	Ending Balance
Capital Assets Not Being Depreciated:					
Construction in Progress	\$ 42,000	\$ 199,200	\$ -	\$ -	\$ 241,200
Total Capital Assets Not Being Depreciated	42,000	199,200	-	-	241,200
Capital Assets Being Depreciated:					
Buildings and Improvements	339,947	-	-	-	339,947
Vehicles	167,968	-	-	-	167,968
Machinery and Equipment	338,185	77,209	-	-	415,394
Furniture and Fixtures	15,145	-	-	-	15,145
Computers and Software	37,226	-	-	-	37,226
Gas Utility System	574,654	-	-	-	574,654
Water Utility System	5,267,405	-	-	-	5,267,405
Sewer Utility System	9,815,392	2,172	-	-	9,817,564
Total Capital Assets Being Depreciated	16,555,922	79,381	-	-	16,635,303
Less Accumulated Depreciation for:					
Buildings and Improvements	110,459	9,279	-	-	119,738
Vehicles	114,770	16,974	-	-	131,744
Machinery and Equipment	172,716	21,155	-	-	193,871
Furniture and Fixtures	14,349	241	-	-	14,590
Computers and Software	36,533	392	-	-	36,925
Gas Utility System	370,823	11,190	-	-	382,013
Water Utility System	2,036,965	130,881	-	-	2,167,846
Sewer Utility System	3,804,750	211,281	-	-	4,016,031
Total Accumulated Depreciation	6,661,365	401,393	-	-	7,062,758
Total Capital Assets Being Depreciated, Net	9,894,557	(322,012)	-	-	9,572,545
Total Business - Type Activities Capital Assets, Net	\$ 9,936,557	\$ (122,812)	\$ -	\$ -	\$ 9,813,745

Capital assets for business-type activities capital assets increased by \$278,581 before depreciation of \$401,393. Significant additions included \$199,200 for construction expenditures for the Red Oak sewer treatment plant project, \$49,599 for generator at the new water well site, \$18,710 for generator installation at various lift stations, \$6,486 for gas department equipment, \$2,172 for sewer system improvements, \$1,900 for various equipment for the utility departments, and \$514 for sewer department equipment.

Included in vehicles are two Dodge Rams acquired in a previous fiscal period financed under a capital lease in the gross amount of \$39,884 with related accumulated depreciation of \$17,948. Included in

Town of Livingston
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As of and for the Year Ended December 31, 2019

equipment is a Jet Rudder acquired in a previous fiscal period financed under a capital lease in the gross amount of \$57,985 with related accumulated depreciation of \$12,563.

9. Interfund Transfers

Interfund Transfers	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund		
Enterprise Fund	\$ 168,735	\$ -
Enterprise Fund		
General Fund	<u>-</u>	<u>168,735</u>
Total Interfund Transfers	<u>\$ 168,735</u>	<u>\$ 168,735</u>

The primary reason for the transfers between the General Fund and the Enterprise Fund was to fund operating requirements per budget approvals.

10. Accounts, Salaries, and Other Payables

Fund payables at December 31, 2019 are as follows:

	<u>General Fund</u>	<u>Enterprise Fund</u>	<u>Total</u>
Accounts	\$ 35,665	\$ 49,550	\$ 85,215
Accrued Salaries	27,142	14,927	42,069
Construction Payable	-	150	150
Employee Benefits	34,049	-	34,049
Customers	-	5,655	5,655
Accrued Interest	-	130,359	130,359
Unclaimed Property	939	710	1,649
State Tax	-	(6,971)	(6,971)
	<u>\$ 97,795</u>	<u>\$ 194,380</u>	<u>\$ 292,175</u>

11. Short-Term Debt

The Town had no short-term debt outstanding at December 31, 2019, other than the current portion of revenue bonds payable and capital leases.

Town of Livingston
Notes to the Financial Statements
As of and for the Year Ended December 31, 2019

12. Leases

The Town records items under capital leases as an asset and an obligation in the accompanying financial statements. At December 31, 2019, the Town had the following capital lease.

	Capital Lease Payable End of Year	Due Within One Year
	<u> </u>	<u> </u>
<p>The Town entered into a lease purchase agreement to purchase the following items - 2017 Dodge Durango, 2017 Ford Expedition, (2) Dodge Rams, Jet Rodder, and a Push Camera for a total lease amount of \$162,155. The lease is payable in four annual payments of \$43,592.40 on the fifteenth day of every October. The assets are being depreciated over their estimated useful lives of five years, except for the Rodder which has an estimated useful life of ten years. 35.05% of this lease is recorded within the governmental funds as a capital lease in the General Fund. The remaining 64.95% is recorded in the Enterprise Fund.</p>	\$ 41,961	\$ 41,961
<p>The Town entered into a lease purchase agreement to purchase the following items - (2) 2019 Chevy Tahoes and 2019 Dodge Ram for a total lease amount of \$100,744. The lease is payable in four annual payments of \$27,172.90 on the first day of every October. The assets are being depreciated over their estimated useful lives of five years. 62% of this lease is recorded within the governmental funds as a capital lease in the General Fund. The remaining 38% is recorded in the Enterprise Fund.</p>	\$ 74,860	\$ 23,890
	<u> </u>	<u> </u>
	<u>\$ 116,821</u>	<u>\$ 65,851</u>

The Town of Livingston has an operating lease on a copier for sixty months beginning in March 3, 2016 for 60 months at a monthly minimum payment of \$467.

Town of Livingston
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13. Long-Term Obligations

The following is a summary of long-term obligation transactions for the year ended December 31, 2019:

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total Long-Term Obligations</u>
	<u>Capital Leases</u>	<u>Rev Bonds / Cert of Indebt.</u>	<u>Capital Leases</u>	<u>Rev Bonds / Cert of Indebt.</u>	
Beginning Balance	\$ 28,869	\$ -	\$ 53,486	\$ 4,230,000	\$ 4,312,355
Additions	62,608	-	38,136	5,285,000	5,385,744
Deletions	(30,204)	-	(36,074)	(130,000)	(196,278)
Total Debt	<u>61,273</u>	<u>-</u>	<u>55,548</u>	<u>9,385,000</u>	<u>9,501,821</u>
Less: Unamortized Premium (Discount)	-	-	-	301,626	301,626
Total Long Term Debt	<u>\$ 61,273</u>	<u>\$ -</u>	<u>\$ 55,548</u>	<u>\$ 9,686,626</u>	<u>\$ 9,803,447</u>

The following is a summary of the current (due in one year or less) and the long-term (due in more than one year) portions of the long-term obligations:

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total Long-Term Obligations</u>
	<u>Capital Leases</u>	<u>Rev Bonds / Cert of Indebt.</u>	<u>Capital Leases</u>	<u>Rev Bonds / Cert of Indebt.</u>	
Current Portion	\$ 29,525	\$ -	\$ 36,326	\$ 160,000	\$ 225,851
Long-Term Portion	31,748	-	19,222	9,225,000	9,275,970
	<u>\$ 61,273</u>	<u>\$ -</u>	<u>\$ 55,548</u>	<u>\$ 9,385,000</u>	<u>\$ 9,501,821</u>

Bonds Payable as of December 31, 2019 are as follows:

	<u>Bonds Payable End of Year</u>	<u>Due Within One Year</u>
Business Type Fund: \$ 4,485,000 Series 2016 Utility Revenue Refunding Bonds Dated 8/10/2016 due in annual installments of principal ranging from \$125,000 in 2017 to \$265,000 in 2041 and sixty semiannual installments of interest averaging \$48,043 at rates of interest ranging from 2.0 to 4.0%	\$ 4,100,000	\$ 130,000
Business Type Fund: \$ 5,285,000 Series 2019 Utility Revenue Bonds Dated 5/15/2019 due in annual installments of principal ranging from \$30,000 in 2020 to \$500,000 in 2049 and sixty semiannual installments of interest averaging \$62,970 at rates of interest ranging from 2.0 to 3.375%	5,285,000	30,000
	<u>\$ 9,385,000</u>	<u>\$ 160,000</u>

The annual requirements to amortize all debt outstanding at December 31, 2019, are presented below. Remaining interest payments of \$5,706,937 are included.

Town of Livingston
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Year Ending 12/31/19	Series 2016 Revenue Bonds \$4,485,000			Series 2019 Revenue Bonds \$5,285,000		
	Principal	Interest	Total	Principal	Interest	Total
2020	\$ 130,000	\$ 144,850	\$ 274,850	\$ 30,000	\$ 167,713	\$ 197,713
2021	135,000	142,250	277,250	65,000	166,763	231,763
2022	135,000	138,200	273,200	70,000	165,413	235,413
2023	145,000	134,150	279,150	65,000	164,063	229,063
2024	145,000	129,800	274,800	70,000	162,713	232,713
2025 to 2029	795,000	581,200	1,376,200	380,000	786,688	1,166,688
2030 to 2034	950,000	426,700	1,376,700	435,000	730,538	1,165,538
2035 to 2039	1,150,000	227,550	1,377,550	510,000	658,719	1,168,719
2040 to 2044	515,000	31,200	546,200	1,320,000	537,131	1,857,131
2045 to 2049	-	-	-	2,340,000	203,006	2,543,006
	<u>\$ 4,100,000</u>	<u>\$ 1,955,900</u>	<u>\$ 6,055,900</u>	<u>\$ 5,285,000</u>	<u>\$ 3,742,747</u>	<u>\$ 9,027,747</u>

Year Ending 12/31/19	Capital Leases \$162,155			Capital Leases \$100,744			Total		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2020	\$ 41,960	\$ 1,632	\$ 43,592	\$ 23,890	\$ 3,283	\$ 27,173	\$ 225,850	\$ 317,478	\$ 543,328
2021	-	-	-	24,938	2,235	27,173	224,938	311,248	536,186
2022	-	-	-	26,031	1,142	27,173	231,031	304,755	535,786
2023	-	-	-	-	-	-	210,000	298,213	508,213
2024	-	-	-	-	-	-	215,000	292,513	507,513
2025 to 2029	-	-	-	-	-	-	1,175,000	1,367,888	2,542,888
2030 to 2034	-	-	-	-	-	-	1,385,000	1,157,238	2,542,238
2035 to 2039	-	-	-	-	-	-	1,660,000	886,269	2,546,269
2040 to 2044	-	-	-	-	-	-	1,835,000	568,331	2,403,331
2045 to 2049	-	-	-	-	-	-	2,340,000	203,006	2,543,006
	<u>\$ 41,960</u>	<u>\$ 1,632</u>	<u>\$ 43,592</u>	<u>\$ 74,859</u>	<u>\$ 6,660</u>	<u>\$ 81,519</u>	<u>\$ 9,501,819</u>	<u>\$ 5,706,939</u>	<u>\$ 15,208,758</u>

14. Flow of Funds, Restrictions on Use – Enterprise Fund and Government Fund Bonds

During the fiscal year ending December 31, 2011, all existing debt was refunded as part of the issuance of the \$4,725,000 Series 2011 Utility Revenue Bond. The Series 2011 Utility Revenue Bonds provided funding for new construction and refunding of existing debt restated and presented for the final year of construction improvements.

\$3,700,000 of this bond was pledged for construction. At December 31, 2019, all of the pledged funds for construction had been used for construction purposes, including \$554,360 for construction period interest to date. Remaining uses of funds included \$433,722 for refunding of the Series 2006 Certificates of Indebtedness, \$310,204 to fully fund the Series 2011 Debt Reserve Fund, with the remaining \$264,612 reserved for bond issuance costs.

The 2011 Series Revenue Bonds provided funding “to construct and acquire improvements to the combined utility systems owned and operated by the Issuer, including the necessary sites, rights-of-ways, machinery and equipment, to provide sufficient funds to refund the outstanding principal amount of the Certificates of Indebtedness, Series 2006, to provide funds to pay the cost of issuance and to fund a reserve.

During 2016, the Town issued \$4,485,000 in Utility Systems Revenue Refunding Bonds, Series 2016 at a premium of \$422,253 for the purpose of refunding the outstanding Series 2011 bonds which totaled

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\$4,270,000 and paying the costs of issuance of the bonds. \$4,749,662 of the bond proceeds and \$310,204 of reserve funds were used to purchase US government securities. These securities were deposited in an irrevocable trust with an escrow agent to provide for the 2018 to 2041 debt service payments on the 2016 utility revenue bonds. These bonds maturing August 1, 2022 and thereafter will be called on August 1, 2021 at a price equal to the principal amount thereof (\$3,760,000) plus accrued interest to the call date. As a result, the \$4,270,000 of Series 2011 revenue bonds were considered in-substance defeased and the liability for those bonds was removed from the Town's books at December 31, 2016.

The Series 2016 bonds are payable solely from and secured by an irrevocable pledge and dedication of the Town's revenues collected by the Town from the fees and service charges levied by the Town through its operation of the Sewer System, Waterworks System, and Natural Gas System, and such revenues, after the payment of all operation and maintenance expenses with respect to the Sewer System, Waterworks System, and Natural Gas System, and do not constitute an indebtedness or pledge of the general credit of the issuer within the meaning of any constitutional or statutory provision relating to the incurring of indebtedness. Total interest expense on all revenue bonds, for the fiscal year ending December 31, 2019, equaled \$270,348. The gross utility systems revenue recognized in the current period was \$2,543,320.

Under the terms of the bond, a "Sinking Fund" must be maintained with the paying agent for the outstanding bonds, sufficient in amount to pay promptly and fully the principal of and the interest on the bonds. This Town must deposit funds into the sinking fund, on or before the twentieth (20th) day of each month, a sum equal to one-sixth of the amount required to pay the interest payable and one-twelfth of the amount required to pay the principal due on the Bonds on the next payment date to the sinking fund each month. At December 31, 2019 the Sinking Fund was fully-funded at \$114,521. Following any draw on the Reserve Fund, the Town must also transfer an amount equal to one-twelfth of the amount necessary to cause the amount of cash in the Reserve Fund to equal the Reserve Requirement in twelve months.

The Reserve Fund shall be held by the paying agent and used to receive funds in an amount, or a debt service reserve fund surety policy, which meets the Reserve Fund requirement. The deposits in the Reserve Fund shall be held in trust as security for the payment of principal and interest on the Bonds. The Town obtained a Municipal Bond Debt Service Reserve Insurance Policy at the time of the bond closing. This policy meets the Reserve Fund requirement; therefore, there is no Reserve Fund required.

The Issuer, through its Governing Authority by the Ordinance has covenanted to fix, establish, maintain, and collect such rates, fees, rents, or other charges for the services and facilities of the Utility Systems, and all parts thereof, and to revise the same from time to time whenever necessary, as will always provide revenues in each Fiscal Year sufficient to pay operation and maintenance expense of the Utility Systems in each Fiscal Year and as will provide Pledged Revenues at least equal to 125% of the maximum Annual Principal and Interest Requirements, for the Bonds falling due in such year plus the payment on all bonds or other obligations payable from the Utility Systems and as will provide revenues at least sufficient to pay all reserve or sinking funds or other payments required for such Fiscal Year by the Ordinance and all obligations or indebtedness payable out of the Pledged Revenues during such year, and that such rates, fees, rents, or other charges shall not at any time be reduced as to be insufficient to provide adequate Pledged Revenues for such purposes. For the fiscal year ending December 31, 2019, Net Revenues were computed to be above the 125% threshold of the average annual debt service requirements on all bonds held outstanding for the system at a computed ratio of 383 percent.

On May 15, 2019, the Town issued \$5,285,000 in Utility Systems Revenue Bonds, Series 2019 for the purpose of "financing the construction of a new sewage treatment plant and refurbishing the Town's existing sewage treatment plant to increase capacity; funding a debt service reserve fund with the purchase of a surety bond; financing the costs of issuance of the Bonds; and acquiring a municipal bond insurance policy. This Series was issued at a discount of \$64,361.

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The Series 2019 bonds are payable solely from and secured by an irrevocable pledge and dedication of the Town's revenues collected by the Town from the fees and service charges levied by the Town through its operation of the Sewer System, Waterworks System, and Natural Gas System, and such revenues, after the payment of all operation and maintenance expenses with respect to the Sewer System, Waterworks System, and Natural Gas System, and do not constitute an indebtedness or pledge of the general credit of the issuer within the meaning of any constitutional or statutory provision relating to the incurring of indebtedness. Total interest expense on all revenue bonds, for the fiscal year ending December 31, 2019, equaled \$270,348. The gross utility systems revenue recognized in the current period was \$2,543,320.

Under the terms of the bond, a "Sinking Fund" must be maintained with the paying agent for the outstanding bonds, sufficient in amount to pay promptly and fully the principal of and the interest on the bonds. This Town must deposit funds into the sinking fund, on or before the twentieth (20th) day of each month, a sum equal to one-twelfth of the amount required to pay the interest payable and principal due on the Bonds on the next payment date to the sinking fund each month. At December 31, 2019 the Sinking Fund was fully-funded at \$137,019. Following any draw on the Reserve Fund, the Town must also transfer an amount equal to one-twelfth of the amount necessary to cause the amount of cash in the Reserve Fund to equal the Reserve Requirement in twelve months.

The Reserve Fund will be initially funded with a surety bond provided by the Bond Insurer. The Underwriter has represented in the Issue Price Certificate that the establishment of the Reserve Fund in the amount thereof (the "Reserve Fund Amount") is reasonably required, in that the establishment of the Reserve Fund at the time of funding equal to the Reserve Fund Amount was a material factor in selling the Bonds at the lowest possible Yields. This policy meets the Reserve Fund requirement; therefore, there is no Reserve Fund required.

15. Retirement Systems

Substantially all employees of the Town of Livingston are members of the following statewide retirement systems: Municipal Employees Retirement System of Louisiana or Municipal Police Employees Retirement System of Louisiana. These systems are a cost-sharing, multiple-employer public employee retirement system (PERS), controlled and administered by a separate board of trustees.

The Town implemented Governmental Accounting Standards Board (GASB) Statement 68 on *Accounting and Financial Reporting for Pensions* and Statement 71 on *Pension Transition for Contributions Made Subsequent to the Measurement Date*—an amendment of GASB 68. These standards require the Town to record its proportional share of each of the pension plans' net pension liability and report the following disclosures:

A. Municipal Employee Retirement System of Louisiana (System)

Plan Description. The System was established and provided for by R.S. 11:1731 of the Louisiana Revised Statutes (LRS). The System provides retirement benefits to employees of all incorporated villages, towns, and cities within the State which do not have their own retirement system and which elect to become members of the system.

Membership is mandatory as a condition of employment beginning on the date employed if the employee is on a permanent basis working at least thirty-five hours per week. Those individuals paid jointly by a participating employer and the parish are not eligible for membership in the System with exceptions as outlined in the statutes.

The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All employees of the municipality are members of Plan B.

Town of Livingston
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Retirement Benefits:

Benefit provisions are authorized within Act 356 of the 1954 regular session and amended by LRS 11:1756-11:1785. The following brief description is of the plan and its benefits and is provided for general information purposes only. Participants should refer to the appropriate statutes for more complete information.

Any member of Plan B who commenced participation in the System prior to January 1, 2013 can retire providing he meets one of the following criteria:

1. Any age with thirty (30) years of creditable service.
2. Age 60 with a minimum of ten (10) or more years of creditable service.
3. Under age 60 with ten (10) years of creditable service eligible for disability benefits.
4. Survivor's benefits require five (5) years creditable service at death of member.

Generally, the monthly amount of the retirement allowance for any member of Plan B shall consist of an amount equal to two percent of the member's monthly average final compensation multiplied by his years of creditable service. However, under certain conditions as outlined in the statutes, the benefits are limited to specified amounts.

Any member of Plan B Tier 2 shall be eligible for retirement if he meets one of the following requirements:

1. Seven years or more of service, at age sixty-seven or thereafter.
2. Ten years or more of service, at age sixty-two, or thereafter.
3. Thirty years or more of service, at age fifty-five or thereafter.
4. Twenty-five years of service credit at any age, exclusive of military service and unused annual sick leave.

The monthly amount of the retirement allowance for any member of Plan B Tier 2 shall consist of an amount equal to two percent of the member's final compensation multiplied by his years of creditable service. Final average compensation is the average monthly earnings during the highest sixty consecutive months, or joined months if service was interrupted.

Survivor Benefits:

Upon death of any member of Plan B with five (5) or more years of creditable service, not eligible for normal retirement, the plan provides for benefits for the surviving spouse as outlined in the statutes.

Any member of Plan B who is eligible for normal retirement at time of death and who leaves a surviving spouse will be deemed to have retired and selected Option 2 benefits on behalf of the surviving spouse on the date of death. Such benefits will begin only upon proper application and are paid in lieu of any other survivor benefits.

Any member of Plan A or Plan B who had not withdrawn their accumulated contributions and had at least twenty years of service credit at time of death, surviving spouse shall receive benefits for as long as he/she lives as outlined in the statutes.

DROP Benefits:

In lieu of terminating employment and accepting a service retirement allowance, any member of Plan A or B who is eligible to retire may elect to participate in the deferred retirement option plan (DROP) for up to three years and defer the receipt of benefits. During participation in the plan, employer contributions are payable but employee contributions cease. The monthly retirement benefits that would be payable, had the person elected to cease employment and receive a service retirement allowance, are paid into the DROP Fund. Interest is earned when the member has completed DROP participation. Interest earnings are

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based upon the actual rate of return on the investments identified as DROP funds for the period. In addition, no cost-of-living increases are payable to participants until employment which made them eligible to become members of the System has been terminated for at least one full year.

Upon termination of employment prior to or at the end of the specified period of participation, a participant in the DROP may receive, at his option, a lump sum from the account equal to the payments into the account, a true annuity based upon his account balance in that fund, or any other method of payment if approved by the board of trustees. If a participant dies during the participation in the DROP, a lump sum equal to the balance in his account shall be paid to his named beneficiary or, if none, to his estate. If employment is not terminated at the end of the three years, payments into the DROP fund cease and the person resumes active contributing membership in the System.

Disability Benefits:

For Plan B, a member shall be eligible to retire and receive a disability benefit if he has at least ten years of creditable service, is not eligible for normal retirement, and has been officially certified as disabled by the State Medical Disability Board. Upon retirement caused by disability, a member of Plan B shall be paid a disability benefit equal to the lesser of (1) an amount to two percent of this final compensation multiplied by his years of creditable service, but not less than thirty percent of his final average compensation, or (2) an amount equal to what the member's normal retirement benefit would be based on the member's current final compensation, but assuming the member remained in continuous service until his earliest normal retirement age and using those retirement benefit computation factors which would be applicable to the member's normal retirement.

Cost of Living Increases:

The System is authorized under state law to grant a cost of living increase to members who have been retired for at least one year. The adjustment cannot exceed 2% of the retiree's original benefit for each full calendar year since retirement and may only be granted if sufficient funds are available from investment income in excess of normal requirements. State law allows the System to grant an additional cost of living increase to all retirees and beneficiaries who are age sixty-five and above equal to 2% of the benefit being received on October 1, 1977, or the original benefit, if retirement commenced after that date.

Deferred Benefits:

Both plans provide for deferred benefits for members who terminate before being eligible for retirement. Once the member reaches the appropriate age for retirement; benefits become payable. Benefits are based on statutes in effect at time of withdrawal.

The System issues an annual publicly available financial report that includes financial statements and required supplemental information for the System. That report may be obtained by writing to the Municipal Employees Retirement System of Louisiana, 7937 Office Park Boulevard, Baton Rouge, Louisiana 70809, or calling (225) 925-4810 or at www.mersla.com.

Funding Policy. Under Plan B, members are required by state statute to contribute five percent of their annual covered salary and the Town of Livingston is required to contribute at an actuarially determined rate. The current rate is 14 percent of annual covered payroll. Contributions to the System also include one-fourth of one percent (except Orleans) of the taxes shown to be collectible by the tax rolls of each parish. Tax monies are apportioned between Plan A and Plan B in proportion to salaries of plan participants. Tax monies received from East Baton Rouge Parish are apportioned between the Municipal Employees' Retirement System and the Employees' Retirement System of the City of Baton Rouge. The System also receives revenue sharing funds each year as appropriated by the Legislature. These additional sources of income are used as additional employer contributions and considered support from non-employer contributing entities, but are not considered special funding situations. Non-employer contributions are recognized as revenue and excluded from pension expense for the year ended June 30,

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2019. During the year ending December 31, 2019, the Town recognized revenue as a result of support received from non-employer contributing entities of \$22,012 for its participation in MERS-Plan B.

The Town of Livingston contributions to the System under Plan B for the years ending December 31, 2019 and 2018 were \$93,171, and \$84,296, respectively, equal to the required contributions for each year.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: At December 31, 2019, the Town reported a liability of \$730,429 for its proportionate share of the net pension liability of the System. The net pension liability was measured as of June 30, 2019 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contribution of all participating, actuarially determined. At June 30, 2019, the Town's proportion was 0.834954%, which was an increase of 0.004384% from its proportion measured as of June 30, 2018.

For the year ended December 31, 2019, the Town recognized pension expense for the MERS System of \$186,262 representing its proportionate share of the System's net expense, including amortization of deferred amounts.

At December 31, 2019, the Town reported deferred outflows of resources and deferred inflows of resources related to the MERS pension system from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ (32,397)
Changes of Assumptions	44,526	-
Net difference between projected and actual earnings on pension plan investments	76,934	-
Changes in proportion and differences between Employer contributions and proportionate share of contributions	20,172	(127)
Employer contributions subsequent to the measurement date	47,358	-
Total	<u>\$ 188,990</u>	<u>\$ (32,524)</u>

The Town reported a total of \$47,358 as deferred outflow of resources related to pension contributions made subsequent to the measurement period of June 30, 2019 which will be recognized as a reduction in net pension liability in the year ended December 31, 2020.

Town of Livingston
Notes to the Financial Statements
As of and for the Year Ended December 31, 2019

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

<u>Year</u>	
2020	\$ 66,504
2021	\$ 25,676
2022	\$ 10,244
2023	\$ 6,683
	<u>\$ 109,107</u>

Actuarial Assumptions. A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2019 is as follows:

Valuation Date	June 30, 2019
Actuarial Cost Method	Entry Age Normal Cost
Expected Remaining Service Lives	3 years (Plan B)
Investment Rate of Return	7.0%
Inflation Rate	2.5%
Salary Increases, including Inflation and merit increases	
-1 to 4 years of service	7.4%
-More than 4 years of service	4.9%
Annuitant and beneficiary mortality	PubG-2010(B) Healthy Retiree Table set equal to 120% for males and females, each adjusted using their respective male and female MP2018 scales.
Employee mortality	PubG-2010(B) Employee Table set equal to 120% for males and females, each adjusted using their respective male and female MP2018 scales.
Disabled lives mortality	PubNS-2010(B) Disabled Retiree Table set equal to 120% for males and females with the full generational MP2018 scale.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and an adjustment for the effect of rebalancing/diversification.

Town of Livingston
Notes to the Financial Statements
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The target allocation and best estimates of arithmetic real rates of return for each major asset class included in the System's target asset allocation as of June 30, 2019 are summarized in the following table:

<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Long-Term Expected Portfolio Real Rate of Return</u>
Public Equity	50%	2.15%
Public Fixed Income	35%	1.51%
Alternatives	15%	0.64%
Totals	<u>100%</u>	<u>4.30%</u>
Inflation		<u>2.70%</u>
Expected Arithmetic Nominal Rate		<u>7.00%</u>

The discount rate used to measure the total pension liability was 7.0% for the year ended June 30, 2019. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates, which are calculated in accordance with relevant statutes and approved by the Board of Trustees and the PRSAC. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The effects of certain other changes in the net pension liability are required to be included in pension expense over the current and future periods. The effects on the total pension liability of (1) changes of economic and demographic assumptions or of other inputs and (2) differences between expected and actual experience are required to be included in pension expense in a systematic and rational manner over a closed period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension plan (active employees and inactive employees), determined as of the beginning of the measurement period. The effect on net pension liability of differences between the projected earnings on pension plan investments and actual experience with regard to those earnings is required to be included in pension expense in a systematic and rational manner over a closed period of five years, beginning with the current period.

Sensitivity of the Employer's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the net pension liability of the participating employers calculated using the discount rate of 7.0%, as well as what the employers' net pension liability would be if it were calculated using a discount rate that is one percentage point lower, or one percentage point higher than the current rate as of June 30, 2019:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Rates	6.0%	7.0%	8.0%
Town of Livingston Share of NPL	\$ 973,474	\$ 730,429	\$ 524,879

Town of Livingston
Notes to the Financial Statements
As of and for the Year Ended December 31, 2019

B. Municipal Police Employees Retirement System of Louisiana (System)

Plan Description. The Municipal Police Employees' Retirement System (System) is a cost-sharing multiple-employer defined benefit pension plan established by Act 189 of 1973 to provide retirement, disability, and survivor benefits to municipal police officers in Louisiana.

Membership is mandatory for any full-time police officer employed by a municipality of the State of Louisiana and engaged in law enforcement, empowered to make arrest, providing he does not have to pay social security and providing he meets the statutory criteria.

Retirement Benefits:

Benefit provisions are authorized within Act 189 of 1973 and amended by LRS 11:2211-11:2233. The following is a brief description of the plan and its benefits and is provided for general information purposes only. Participants should refer to the appropriate statutes for more complete information.

Membership Prior to January 1, 2013: A member is eligible for regular retirement after he has been a member of the System and has 25 years of creditable service at any age or has 20 years of creditable service and is age 50 or has 12 years creditable service and is age 55. A member is eligible for early retirement after he has been a member of the System for 20 years of creditable service at any age with an actuarially reduced benefit.

Benefit rates are three and one-third percent of average final compensation (average monthly earnings during the highest 36 consecutive months or joined months if service was interrupted) per number of years of creditable service not to exceed 100% of final salary.

Upon the death of an active contributing member, or disability retiree, the plan provides for surviving spouses and minor children. Under certain conditions outlined in the statutes, the benefits range from forty to sixty percent of the member's average final compensation for the surviving spouse. In addition, each child under age eighteen receives benefits equal to ten percent of the member's average final compensation or \$200 per month, whichever is greater.

Membership Commencing January 1, 2013: Member eligibility for regular retirement, early retirement, disability and survivor benefits are based on Hazardous Duty and Non-Hazardous Duty sub plans. Under the Hazardous Duty sub plan, a member is eligible for regular retirement after he has been a member of the System and has 25 years of creditable service at any age or has 12 years of creditable service at age 55. Under the Non-Hazardous Duty sub plan, a member is eligible for regular retirement after he has been a member of the System and has 30 years of creditable service at any age, 25 years of creditable service at age 55, or 10 years of creditable service at age 60. Under both sub plans, a member is eligible for early retirement after he has been a member of the System for 20 years of creditable service at any age, with an actuarially reduced benefit from age 55.

Under the Hazardous and Non-Hazardous Duty sub plans, the benefit rates are three percent and two and a half percent, respectively, of average final compensation (average monthly earnings during the highest 60 consecutive months or joined months if service was interrupted) per number of years of creditable service not to exceed 100% of final salary.

Upon death of an active contributing member, or disability retiree, the plan provides for surviving spouses and minor children. Under certain conditions outlined in the statutes, the benefits range from twenty-five to fifty-five percent of the member's average final compensation for the surviving spouse. In addition, each child under age eighteen receives ten percent of average final compensation or \$200 per month whichever is greater. If deceased member had less than ten years of service, beneficiary will receive a refund of employee contributions only.

Town of Livingston
Notes to the Financial Statements
As of and for the Year Ended December 31, 2019

Cost of Living Adjustments:

The Board of Trustees is authorized to provide annual cost-of-living adjustments computed on the amount of the current regular retirement, disability, beneficiary or survivor's benefit, not to exceed 3% in any given year. The Board is authorized to provide an additional 2% COLA, computed on the member's original benefit, to all regular retirees, disability, survivors and beneficiaries who are 65 years of age or older on the cut-off date which determines eligibility.

No regular retiree, survivor or beneficiary shall be eligible to receive a cost-of-living adjustment until benefits have been received at least one full fiscal year and the payment of such COLA, when authorized, shall not be effective until the lapse of at least one-half of the fiscal year. Members who elect early retirement are not eligible for a cost of living adjustment until they reach regular retirement age.

Deferred Retirement Option Plan:

A member is eligible to elect to enter the deferred retirement option plan (DROP) when he is eligible for regular retirement based on the members' sub plan participation. Upon filing the application for the program, the employee's active membership in the System is terminated. At the entry date into the DROP, the employee and employer contributions cease. The amount to be deposited into the DROP account is equal to the benefit computed under the retirement plan elected by the participant at date of application. The duration of participation in the DROP is thirty-six months or less. If employment is terminated after the three-year period the participant may receive his benefits by lump sum payment or a true annuity. If employment is not terminated, active contributing membership into the System shall resume and upon later termination, he shall receive additional retirement benefit based on the additional service. For those eligible to enter DROP prior to January 1, 2004, DROP accounts shall earn interest subsequent to the termination of DROP participation at a rate of half of one percentage point below the percentage rate of return of the System's investment portfolio as certified by the actuary on an annual basis but will never lose money. For those eligible to enter DROP subsequent to January 1, 2004, an irrevocable election is made to earn interest based on the System's investment portfolio return or a money market investment return. This could result in a negative earnings rate being applied to the account. If the member elects a money market investment return, the funds are transferred to a government money market account and earn interest at the money market rate.

Initial Benefit Option Plan:

In 1999, the State Legislature authorized the System to establish an Initial Benefit Option program. Initial Benefit Option is available to members who are eligible for regular retirement and have not participated in DROP. The Initial Benefit Option program provides both a one-time single sum payment of up to 36 months of regular monthly retirement benefit, plus a reduced monthly retirement benefit for life. Interest is computed on the balance based on same criteria as DROP.

The System issues an annual publicly available financial report that includes financial statements and required supplemental information for the System. That report may be obtained by writing to the Municipal Police Employees Retirement System of Louisiana, 8401 United Plaza Boulevard, Baton Rouge, Louisiana 70809-2250, or by calling (225) 929-7411 or at www.lampers.org.

Funding Policy. According to state statute, the Town of Livingston is required to contribute at an actuarially determined rate but cannot be less than 9% of the employee's earnable compensation excluding overtime but including state supplemental pay. For the year ended June 30, 2019, total contributions due for employers and employees were 42.25%. The employer and employee contribution rates for members hired prior to January 1, 2013 and Hazardous Duty members hired after January 1, 2013 were 32.25% and 10%, respectively. The employer and employee contribution rates for all Non-Hazardous Duty members hired after January 1, 2013 were 32.25% and 8%, respectively. The employer and employee contribution rates for members whose earnable compensation is less than or equal to

Town of Livingston
Notes to the Financial Statements
As of and for the Year Ended December 31, 2019

poverty guidelines issued by the U.S. Department of Health and Human Services were 34.75% and 7.5%, respectively.

The System also receives insurance premium tax monies as additional employer contributions and considered support from a non-contributing entity. This tax is appropriated by the legislature each year based on an actuarial study. This additional source of income is used as additional employer contributions and considered support from non-employer contributing entities, but is not considered a special funding situation. Non-employer contributions are recognized as revenue and excluded from pension expense for the year ended June 30, 2019. During the year ending December 31, 2019, the Town recognized revenue as a result of support received from non-employer contributing entities of \$15,652 for its participation in MPERS.

The Town of Livingston contributions to the System under Plan B for the years ending December 31, 2019 and 2018 were \$79,725 and \$66,040 respectively, equal to the required contributions for each year.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: At December 31, 2019, the Town reported a liability of \$690,462 for its proportionate share of the net pension liability of the System. The net pension liability was measured as of June 30, 2019 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contribution of all participating, actuarially determined. At June 30, 2019, the Town's proportion was 0.076028%, which was an increase of 0.013102% from its proportion measured as of June 30, 2018.

For the year ended December 31, 2019, the Town recognized pension expense for the MPERS System of \$160,310 representing its proportionate share of the System's net expense, including amortization of deferred amounts.

At December 31, 2019, the Town reported deferred outflows of resources and deferred inflows of resources related to the MPERS pension system from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,449	\$ (21,242)
Changes of Assumptions	38,692	-
Net difference between projected and actual earnings on pension plan investments	44,858	-
Changes in proportion and differences between Employer contributions and proportionate share of contributions	85,173	(3,316)
Employer contributions subsequent to the measurement date	39,664	-
Total	\$ 209,836	\$ (24,558)

The Town reported a total of \$39,664 as deferred outflow of resources related to pension contributions made subsequent to the measurement period of June 30, 2019 which will be recognized as a reduction in net pension liability in the year ended December 31, 2020.

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

Town of Livingston
Notes to the Financial Statements
As of and for the Year Ended December 31, 2019

<u>Year</u>	
2020	\$ 63,866
2021	\$ 27,851
2022	\$ 42,697
2023	<u>\$ 11,200</u>
	<u>\$ 145,614</u>

Actuarial Assumptions. A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2019 is as follows:

Valuation Date	June 30, 2019	
Actuarial Cost Method	Entry Age Normal Cost	
Investment Rate of Return	7.125%, net of investment expense	
Expected Remaining Service Lives	4 years	
Inflation Rate	2.50%	
Salary increases, including inflation & merit	<u>Years of Service</u>	<u>Salary Growth Rate</u>
	1-2	9.75%
	3-23	4.75%
	Over 23	4.25%
Mortality	RP-2000 Combined Healthy with Blue Collar Adjustment Sex Distinct Tables projected to 2029 by Scale AA (set back 1 year for females) for healthy annuitants and beneficiaries.	
	RP-2000 Disabled Lives Table set back 5 years for males and set back 3 years for females for disabled annuitants.	
	RP-2000 Employee Table set back 4 years for males and 3 years for females for active members.	
Cost of Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost-of-living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees.	

The mortality rate assumption used was set based upon an experience study performed by the prior actuary on plan data for the period July 1, 2009 through June 30, 2014 and review of similar law enforcement mortality. The data was then assigned credibility weighting and combined with a standard table to produce current levels of mortality. This mortality was then projected forward to a period equivalent to the estimated duration of the System's liabilities. Annuity values calculated based on this mortality were compared to those produced by using a setback of standard tables. The result of the

Town of Livingston
Notes to the Financial Statements
As of and for the Year Ended December 31, 2019

procedure indicated that these tables would produce liability values approximating the appropriate generational mortality tables.

Best estimates of arithmetic nominal rates of return for each major asset class included in the System's target asset allocation as of June 30, 2019 are summarized in the following table:

<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Long-Term Expected Portfolio Real Rate of Return</u>
Equity	48.50%	3.28%
Fixed Income	33.50%	0.80%
Alternatives	18.00%	1.06%
Other	0.00%	0.00%
Totals	<u>100.00%</u>	<u>5.14%</u>
Inflation		<u>2.75%</u>
Expected Arithmetic Nominal Rate		<u>7.89%</u>

The discount rate used to measure the total pension liability was 7.125%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by PRSAC taking into consideration the recommendation of the System's actuary. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Employer's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the net pension liability of the participating employers calculated using the discount rate of 7.125%, as well as what the employers' net pension liability would be if it were calculated using a discount rate that is one percentage point lower, or one percentage point higher than the current rate as of June 30, 2019:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Rates	6.125%	7.125%	8.125%
Town of Livingston Share of NPL	\$ 962,040	\$ 690,462	\$ 462,634

Town of Livingston
Notes to the Financial Statements
As of and for the Year Ended December 31, 2019

16. Restricted Fund Balances/Net Position

At December 31, 2019, the General Fund had nonspendable fund balance of \$41,171 created from prepaid insurance.

At December 31, 2019, the proprietary fund had restricted net position of \$270,062, representing the Town's funds restricted by revenue bond debt covenants and contracts with customers for meter deposits, net of the related liability.

17. Risk Management

The Town is exposed to various risks of loss related to theft, damage, or destruction of assets, torts, injuries, natural disasters, and many other unforeseeable events. The Town purchases commercial insurance policies and bonds for any and all claims related to the aforementioned risks. The Town's payment of the insurance policy deductible is the only liability associated with these policies and bonds. There has been no significant decrease in insurance coverage from the prior year, and the amount of settlements has not exceeded the insurance coverage for the past three fiscal years.

18. Contingent Liabilities

At December 31, 2019, the Town was not involved in any outstanding litigation warranting accrual.

19. On-Behalf Payments for Fringe Benefits and Salaries

For the fiscal year ended December 31, 2019, the State of Louisiana made on behalf payments in the form of supplemental pay to the Town's policemen and the fire chief. In accordance with GASB 24, the Town recorded \$40,988 of on behalf payments as revenue and as expenditures in the General Fund.

20. Fire Insurance Rebate

The Town maintains an active certified volunteer fire department as defined by Louisiana R. S. 22:1580 and is eligible for and receives a pro rata share of the fire insurance tax collected by the State. The amounts received by the fire department are based on the population in the Town and unincorporated areas that it serves. In accordance with the Revised Statutes, such money shall be used only for the purpose of rendering more efficient and efficacious the active volunteer fire department as the Town shall direct.

21. Oil, Gas, and Mineral Lease

On January 4, 1983, the Town leased all of its lands, streets, alleys, public ways and places containing 141.60 acres, more or less to Callon Petroleum Company (high bidder) of Natchez, Mississippi, for the purpose of exploring by any method, including but not limited to, geophysical and geological exploration for formations of structures and prospecting and drilling for, mining, and producing sulfur, potash, oil, gas and any other liquid or gaseous hydrocarbon minerals.

The rights herein granted are limited as to depth and said rights extend only from the surface of the earth to 100 feet below the base of the Wilcox formation, or its stratigraphic equivalent. All rights for minerals lying below said depth to the center of the earth are expressly reserved to the lessor.

The Town's 25 percent royalty rights under the above lease are currently assigned to TMR Exploration, Inc. During the fiscal year ending December 31, 2019, the Town of Livingston recorded \$3,965 in

Town of Livingston
Notes to the Financial Statements
As of and for the Year Ended December 31, 2019

royalty income. The royalties received under the oil, gas, and mineral leases are reported in the Town's general fund.

22. Construction Commitments

In 2010, the Town entered in an agreement with Alvin Fairburn and Associates for engineering costs related to the Sidewalk project. The agreement for engineering costs equaled \$37,238. As of the current fiscal year end, \$23,274 in engineering costs had been incurred and capitalized. The amount remaining on the engineering contract at the fiscal year end is \$13,964. The construction contract of this project will be bid and awarded in future years.

In 2019, the Town entered in an agreement with Alvin Fairburn and Associates for engineering costs related to the Red Oak Sewer Treatment Plant Expansion Project. The agreement for engineering costs equaled \$376,500. As of the current fiscal year end, \$165,000 in engineering costs had been incurred and capitalized. The amount remaining on the engineering contract at the fiscal year end is \$211,500.

On January 9, 2020, the Town awarded the construction portion of the Red Oak Sewer Treatment Plant Expansion Project to L. King Company in the amount of \$4,737,133. As this contract was awarded subsequent to the current fiscal year end, no construction costs had been incurred nor capitalized.

23. Subsequent Events

In December 2019, COVID-19 emerged and has subsequently spread worldwide. The World Health Organization has declared COVID-19 a pandemic and this pandemic has resulted in federal, state, and local governments and private entities mandating various restrictions, including travel restrictions, restrictions on public gatherings, stay at home orders, and quarantining of people that may have been exposed to the virus. As the COVID-19 pandemic is complex and rapidly evolving, at this point we cannot reasonably estimate the duration or severity of this pandemic nor its impact on the entity, its financial position, change in financial position, or cash flows.

On June 11, 2020, the Town issued \$590,000 in utility system revenue bonds, Series 2020. Proceeds from the bonds will be used to pay for construction costs related to improvements and expansion of the Red Oak sewerage system of the Town and paying the cost of issuance of the bonds. None of the proceeds of the notes were used to refund any prior indebtedness of the Town or any other entity. The bonds bear an interest rate of 3.00% per annum and will mature on February 1, 2050.

On August 13, 2020, the Town approved the increase of sewer impact fees based on water meter size and the increase of sewer base rates by \$5.00.

Subsequent events have been evaluated by management through December 27, 2020, the date the financial statements were available to be issued and these financial statements considered subsequent events through such date. No other events were noted that require recording or disclosure in the financial statements for the fiscal year ending December 31, 2019.

Required Supplementary Information (Part II)

Town of Livingston
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget (GAAP Basis) and Actual
General Fund - Summary
For the year ended December 31, 2019

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>GAAP Basis</u>	<u>Favorable (Unfavorable)</u>
Revenues				
Taxes	\$ 776,000	\$ 770,500	\$ 755,801	\$ (14,699)
Licenses and Permits	190,300	192,200	192,226	26
Intergovernmental	87,100	207,500	87,899	(119,601)
Sanitation Fees	200,000	217,000	218,020	1,020
Fines and Forfeitures	180,000	240,000	285,197	45,197
Grants	1,500	3,200	3,200	-
Interest	3,000	3,000	3,360	360
Parks and Recreation	200,000	278,000	284,842	6,842
Donations	-	-	280,183	280,183
Miscellaneous	6,000	9,000	8,987	(13)
Total Revenues	<u>1,643,900</u>	<u>1,920,400</u>	<u>2,119,715</u>	<u>199,315</u>
Expenditures				
General Government	742,075	767,175	675,115	92,060
Public Safety:				
Police	523,500	527,000	510,969	16,031
Fire	63,000	90,000	91,343	(1,343)
Streets	161,500	180,500	160,098	20,402
Sanitation	210,000	215,000	213,664	1,336
Health and Welfare	6,000	4,000	3,005	995
Recreation	273,150	301,000	299,313	1,687
Capital Outlays	133,500	161,600	417,449	(255,849)
Debt Service				
Principal	14,200	30,300	30,204	96
Interest	1,150	2,000	1,922	78
Total Expenditures	<u>2,128,075</u>	<u>2,278,575</u>	<u>2,403,082</u>	<u>(124,507)</u>
Excess Revenues (Expenditures)	<u>(484,175)</u>	<u>(358,175)</u>	<u>(283,367)</u>	<u>74,808</u>
Other Financing Sources (Uses)				
Operating Transfers In	425,000	200,000	168,735	(31,265)
Operating Transfers (Out)	-	-	-	-
FEMA Reimbursements	-	12,000	8,833	(3,167)
Sale of Fixed Assets	-	1,350	735	(615)
Capital Lease Proceeds	60,000	62,600	62,608	8
Total Other Financing Sources (Uses)	<u>485,000</u>	<u>275,950</u>	<u>240,911</u>	<u>(35,039)</u>
Net Change in Fund Balances	825	(82,225)	(42,456)	39,769
Fund Balances, Beginning	<u>561,002</u>	<u>754,752</u>	<u>754,752</u>	<u>-</u>
Fund Balances, Ending	<u>\$ 561,827</u>	<u>\$ 672,527</u>	<u>\$ 712,296</u>	<u>\$ 39,769</u>

See independent auditor's report.

Town of Livingston
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget (GAAP Basis) and Actual
General Fund - Detail
For the year ended December 31, 2019

Revenues	Budgeted Amounts		Actual Amounts	Variance
	Original	Final	GAAP Basis	Favorable (Unfavorable)
Taxes				
Ad Valorem	\$ 56,000	\$ 56,000	\$ 58,140	\$ 2,140
Franchise Taxes	170,000	160,000	158,694	(1,306)
Sales Taxes	550,000	554,500	538,967	(15,533)
Total Taxes	<u>776,000</u>	<u>770,500</u>	<u>755,801</u>	<u>(14,699)</u>
Licenses and Permits				
Beer Permits	300	200	114	(86)
Building Licenses	10,000	12,000	11,553	(447)
Business Licenses	180,000	180,000	180,559	559
Total Licenses and Permits	<u>190,300</u>	<u>192,200</u>	<u>192,226</u>	<u>26</u>
Intergovernmental				
Chiefs Supplemental Pay	3,600	3,600	3,300	(300)
Livingston Parish Fire Protection District 12	29,000	29,000	28,860	(140)
Louisiana Fire Insurance Rebate	8,000	8,400	8,366	(34)
Louisiana Alcoholic Beverage Tax	10,500	10,500	9,685	(815)
Recreation District 5	-	120,000	-	(120,000)
State Supplemental Pay	36,000	36,000	37,688	1,688
Total Intergovernmental	<u>87,100</u>	<u>207,500</u>	<u>87,899</u>	<u>(119,601)</u>
Grants				
Louisiana Law Enforcement Grant	1,500	3,200	3,200	-
Total Grants	<u>1,500</u>	<u>3,200</u>	<u>3,200</u>	<u>-</u>
Other Revenues				
Court Fees	500	1,000	1,050	50
Donations	-	-	280,183	280,183
Fines and Forfeitures	180,000	240,000	285,197	45,197
Fire Department	2,000	100	60	(40)
Interest	3,000	3,000	3,360	360
Miscellaneous Income	1,000	4,400	3,912	(488)
Oil, Gas, and Mineral Royalties	2,500	3,500	3,965	465
Parks and Recreation	200,000	278,000	284,842	6,842
Sanitation Fees	200,000	217,000	218,020	1,020
Total Other Revenues	<u>589,000</u>	<u>747,000</u>	<u>1,080,589</u>	<u>333,589</u>
Total Revenues	<u>1,643,900</u>	<u>1,920,400</u>	<u>2,119,715</u>	<u>199,315</u>

(Continued)

See independent auditor's report.

Town of Livingston
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget (GAAP Basis) and Actual
General Fund - Detail
For the year ended December 31, 2019

Expenditures	Budgeted Amounts		Actual Amounts GAAP Basis	Variance Favorable (Unfavorable)
	Original	Final		
General Government				
Salaries				
Mayor and Aldermen	100,875	100,875	100,753	122
Town Clerk	65,400	65,400	62,627	2,773
Court Clerk	2,400	2,400	2,414	(14)
Part-Time Office	31,000	31,000	30,519	481
Benefits				
Health Insurance (All Departments)	125,000	135,000	106,035	28,965
Retirement (All Departments, except Police)	40,000	44,000	40,419	3,581
Payroll Taxes (All Departments)	62,000	68,000	57,996	10,004
Unemployment (All Departments)	1,500	1,600	1,577	23
Insurance				
Insurance (All Departments)	120,000	106,000	94,490	11,510
Workers Compensation (All Departments)	51,300	51,300	41,349	9,951
Other operating				
Dues, Subscriptions, and Meeting	20,000	15,000	13,491	1,509
Miscellaneous	35,000	35,000	20,900	14,100
Professional Fees	57,000	72,000	66,929	5,071
Repairs and Maintenance	11,000	20,000	17,741	2,259
Supplies				
Office Expense	15,000	15,000	13,509	1,491
Telephone	4,600	4,600	4,366	234
Total General Government	742,075	767,175	675,115	92,060
Public Safety:				
Police				
Salaries	357,500	361,000	365,234	(4,234)
Benefits				
Retirement	85,000	85,000	79,454	5,546
Other operating	20,000	20,000	20,179	(179)
Supplies	6,000	6,000	5,862	138
Vehicle Expense				
Automobile Expenses	25,000	25,000	12,752	12,248
Fuel	30,000	30,000	27,488	2,512
Total Police	523,500	527,000	510,969	16,031
Fire				
Salaries	33,000	45,000	42,018	2,982
Other operating	30,000	45,000	49,325	(4,325)
Total Fire	63,000	90,000	91,343	(1,343)
Total Public Safety	586,500	617,000	602,312	14,688

(Continued)

See independent auditor's report.

Town of Livingston
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget (GAAP Basis) and Actual
General Fund - Detail
For the year ended December 31, 2019

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>GAAP Basis</u>	<u>Favorable (Unfavorable)</u>
Highways and Streets				
Salaries	80,500	85,000	78,570	6,430
Other operating				
Equipment Operating Expense	8,000	8,000	5,921	2,079
Miscellaneous	18,500	33,000	29,652	3,348
Uniform Expense	2,500	2,500	-	2,500
Repairs and Maintenance	2,000	2,000	-	2,000
Supplies	25,000	25,000	23,446	1,554
Utilities - Street Lights	25,000	25,000	22,509	2,491
Total Highways and Streets	<u>161,500</u>	<u>180,500</u>	<u>160,098</u>	<u>20,402</u>
Sanitation				
Collection Fees	210,000	215,000	213,664	1,336
Total Sanitation	<u>210,000</u>	<u>215,000</u>	<u>213,664</u>	<u>1,336</u>
Health and Welfare				
Other operating	6,000	4,000	3,005	995
Total Health and Welfare	<u>6,000</u>	<u>4,000</u>	<u>3,005</u>	<u>995</u>
Recreation				
Salaries	87,150	95,000	99,157	(4,157)
Other operating	-	-	325	(325)
Program Expense	150,000	180,000	176,522	3,478
Repairs and Maintenance	20,000	10,000	7,328	2,672
Utilities	16,000	16,000	15,981	19
Total Recreation	<u>273,150</u>	<u>301,000</u>	<u>299,313</u>	<u>1,687</u>
Capital Outlays				
General Government	6,500	-	-	-
Public Safety - Police Protection	60,000	72,600	72,598	2
Public Safety - Fire Protection	5,000	5,000	1,235	3,765
Public Works - Streets	12,000	12,000	-	12,000
Recreation	50,000	72,000	343,616	(271,616)
Total Capital Outlays	<u>133,500</u>	<u>161,600</u>	<u>417,449</u>	<u>(255,849)</u>

(Continued)

See independent auditor's report.

Town of Livingston
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget (GAAP Basis) and Actual
General Fund - Detail
For the year ended December 31, 2019

	Budgeted Amounts		Actual Amounts GAAP Basis	Variance
	Original	Final		Favorable (Unfavorable)
Debt Service				
Principal				
Capital Leases				
General Government - Mayor	6,300	6,300	6,295	5
Public Safety -Police Cars	7,900	24,000	23,909	91
Total Principal Payments	<u>14,200</u>	<u>30,300</u>	<u>30,204</u>	<u>96</u>
Interest				
Capital Leases				
General Government - Mayor	500	500	499	1
Public Safety -Police Cars	650	1,500	1,423	77
Total Interest Payments	<u>1,150</u>	<u>2,000</u>	<u>1,922</u>	<u>78</u>
Total Expenditures	<u>2,128,075</u>	<u>2,278,575</u>	<u>2,403,082</u>	<u>(124,507)</u>
Excess Revenues (Expenditures)	<u>(484,175)</u>	<u>(358,175)</u>	<u>(283,367)</u>	<u>74,808</u>
Other Financing Sources (Uses)				
Operating Transfers In	425,000	200,000	168,735	(31,265)
Operating Transfers (Out)	-	-	-	-
FEMA Reimbursements	-	12,000	8,833	(3,167)
Sale of Fixed Assets	-	1,350	735	(615)
Capital Lease Proceeds	60,000	62,600	62,608	8
Total Other Financing Sources (Uses)	<u>485,000</u>	<u>275,950</u>	<u>240,911</u>	<u>(35,039)</u>
Net Change in Fund Balances	825	(82,225)	(42,456)	39,769
Fund Balances, Beginning	<u>561,002</u>	<u>754,752</u>	<u>754,752</u>	<u>-</u>
Fund Balances, Ending	<u>\$ 561,827</u>	<u>\$ 672,527</u>	<u>\$ 712,296</u>	<u>\$ 39,769</u>

(Concluded)

See independent auditor's report.

Town of Livingston
Schedule of the Town's Proportionate Share of the Net Pension Liability - MERS Plan B
Last 10 Fiscal Years*

Municipal Employees' Retirement System

	Employer's Proportion of the Net Pension Liability (Assets)	Employer's Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered- Employee Payroll	Employer's Proportionate Share of the Net Position Liability (Asset) as a Percentage of its Covered-Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2015	0.655337%	\$ 445,398	\$ 438,698	101.527219%	68.713552%
2016	0.725574%	\$ 601,434	\$ 539,127	111.556949%	62.110276%
2017	0.798132%	\$ 690,570	\$ 592,412	116.569212%	63.490937%
2018	0.830570%	\$ 702,523	\$ 615,508	114.137103%	63.940612%
2019	0.834954%	\$ 730,429	\$ 638,294	114.434571%	66.138800%

* The amounts presented for each fiscal year were determined as of 6/30 within the fiscal year.

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

See independent auditor's report.

Town of Livingston
Schedule of the Town's Proportionate Share of the Net Pension Liability - MPERS
Last 10 Fiscal Years*

Municipal Police Employees' Retirement System

	Employer's Proportion of the Net Pension Liability (Assets)	Employer's Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered-Employee Payroll	Employer's Proportionate Share of the Net Position Liability (Asset) as a Percentage of its Covered-Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2015	0.054592%	\$ 427,671	\$ 149,358	286.339648%	70.7303%
2016	0.062740%	\$ 588,051	\$ 175,749	334.596135%	66.0422%
2017	0.061000%	\$ 532,556	\$ 157,520	338.087862%	70.0815%
2018	0.062926%	\$ 531,980	\$ 191,338	278.031546%	71.8871%
2019	0.076028%	\$ 690,462	\$ 237,425	290.812678%	71.0078%

* The amounts presented for each fiscal year were determined as of 6/30 within the fiscal year.

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

See independent auditor's report.

Town of Livingston
Schedule of the Town's Contributions - MERS Plan B
For the year ended December 31, 2019

Municipal Employees' Retirement System

	Contractually Required Contribution	Contributions in Relation to Contractually Required Contributions	Contribution Deficiency (Excess)	Employer's Covered Employee Payroll	Contributions as a % of Covered Employee Payroll
2015 \$	47,466	\$ 47,466	-	\$ 508,586	9.3329%
2016	57,496	57,496	-	553,820	10.3817%
2017	74,408	74,408	-	613,474	12.1290%
2018	84,296	84,296	-	618,608	13.6267%
2019	93,171	93,171	-	665,505	14.0000%

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

See independent auditor's report.

Town of Livingston
 Schedule of the Town's Contributions - MPERS
 For the year ended December 31, 2019

Municipal Police Employees' Retirement System

	Contractually Required Contribution	Contributions in Relation to Contractually Required Contributions	Contribution Deficiency (Excess)	Employer's Covered Employee Payroll	Contributions as a % of Covered Employee Payroll
2015 \$	52,717	\$ 52,717	-	\$ 172,672	30.5301%
2016	54,388	54,388	-	176,302	30.8493%
2017	56,569	56,569	-	180,955	31.2614%
2018	66,040	66,040	-	210,648	31.3509%
2019	79,725	79,725	-	246,261	32.3742%

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

See independent auditor's report.

Other Supplementary Information

Town of Livingston
Schedule of Net Position
Proprietary Fund Type
For the year ended December 31, 2019
(With Comparative Totals for the Year Ended December 31, 2018)

	Enterprise Funds	
	2019	2018
Assets		
Current Assets:		
Cash and Cash Equivalents	\$ 1,930,874	\$ 1,088,670
Receivables, Net :		
Accounts	291,944	288,742
Other	81,959	24,645
Due from Other Governments	-	85,005
Due From General Fund	-	116,175
Inventory - Natural Gas	3,097	3,161
Prepaid Expenses	23,193	23,282
Total Current Assets	2,331,067	1,629,680
Restricted Assets:		
Restricted Cash and Cash Equivalents	5,355,838	370,428
Total Restricted Assets	5,355,838	370,428
Property, Plant, and Equipment		
Construction in Progress	241,200	42,000
Property, Plant and Equipment, Net	9,572,545	9,894,557
Total Property, Plant, and Equipment	9,813,745	9,936,557
Other Assets:		
Unamortized Bond Insurance Costs	46,934	24,377
Total Assets	17,547,584	11,961,042
Deferred Outflows of Resources		
Pension Related	102,892	125,407
Advanced Bond Refunding	696,692	728,971
Total Deferred Outflows of Resources	799,584	854,378
Liabilities		
Current Liabilities (Payable From Current Assets):		
Accounts Payable	49,550	43,238
Other Accrued Payables	144,830	108,291
Capital Lease Payable	36,326	26,233
Due To General Fund	55,600	-
Revenue Bonds Payable	160,000	130,000
Total Current Liabilities (Payable From Current Assets)	446,306	307,762
Current Liabilities (Payable From Restricted Assets):		
Customer Deposits	203,321	194,504
Total Current Liabilities (Payable From Restricted Assets)	203,321	194,504
Long Term Liabilities:		
Bonds Payable	9,526,626	4,481,435
Capital Lease Payable	19,222	27,253
Net Pension Liability	400,574	384,947
Total Long Term Liabilities	9,946,422	4,893,635
Total Liabilities	10,596,049	5,395,901
Deferred Inflows of Resources		
Pension Related	18,105	17,752
Total Deferred Inflows of Resources	18,105	17,752
Net Position		
Net Investment in Capital Assets	5,650,568	5,966,017
Restricted for:		
Capital Projects and Debt Service	270,062	175,924
Unrestricted	1,812,384	1,259,826
Total Net Position	\$ 7,733,014	\$ 7,401,767

See independent auditor's report.

Town of Livingston
Schedule of Revenues, Expenses, and Changes in Net Position
Proprietary Fund Type
For the year ended December 31, 2019
(With Comparative Totals for the Year Ended December 31, 2018)

	Enterprise Funds	
	2019	2018
Operating Revenues		
Gas Sales	\$ 605,797	\$ 557,037
Less Cost of Gas Sold	(138,549)	(135,749)
Gross Profit on Gas Sales	467,248	421,288
Water Sales	1,145,791	1,109,066
Sewer Service Charges	791,732	715,498
Intergovernmental	12,327	11,677
Other	138,380	152,244
Total Operating Revenues	2,555,478	2,409,773
Operating Expenses		
Bad Debts	-	-
Depreciation	403,014	419,916
Employee Benefits	208,447	185,194
Insurance	55,752	54,880
Other	222,357	241,688
Professional Fees	66,437	54,299
Repairs and Maintenance	140,609	107,331
Salaries and Wages	454,350	414,408
Supplies	25,594	26,941
Utilities	65,107	64,921
Total Operating Expenses	1,641,667	1,569,578
Operating Income (Loss)	913,811	840,195
Nonoperating Revenues (Expenses)		
Interest Income	50,731	3,026
Interest Expense	(271,236)	(167,426)
Bond Issuance Costs	(193,324)	-
Total Nonoperating Revenues (Expenses)	(413,829)	(164,400)
Income (Loss) Before Contributions	499,982	675,795
Contributions and Transfers		
Capital Contributions	-	226,288
Operating Transfers In	-	71,018
Operating Transfers Out	(168,735)	(363,000)
Change in Net Position	331,247	610,101
Total Net Position, Beginning	7,401,767	6,791,666
Total Net Position, Ending	\$ 7,733,014	\$ 7,401,767

See independent auditor's report.

Town of Livingston
Schedule of Cash Flows
Proprietary Fund Type
For the year ended December 31, 2019
(With Comparative Totals for the Year Ended December 31, 2018)

	Enterprise Funds	
	2019	2018
Cash Flows From Operating Activities		
Received From Customers	\$ 2,540,118	\$ 2,336,383
Received for Meter Deposit Fees	8,817	12,493
Other Receipts	178,398	161,885
(Payments) for Interfund Services	171,775	50,060
Payments for Operations	(743,081)	(761,732)
Payments to Employees	(621,543)	(559,435)
Net Cash Provided by Operating Activities	<u>1,534,484</u>	<u>1,239,654</u>
Cash Flows From Noncapital Financing Activities		
Transfers From (To) Other Funds	(168,735)	(291,982)
Net Cash Provided (Used) by Noncapital Financing Activities	<u>(168,735)</u>	<u>(291,982)</u>
Cash Flows From Capital and Related Financing Activities		
Capital Contributions Received	-	226,288
(Payments) for Capital Acquisitions	(276,519)	(477,777)
(Payments) for Debt Issue Costs	(193,324)	-
Principal Proceeds from (Repayments for) Long Term Debt	5,083,292	(114,611)
Interest Payments for Long Term Debt	(202,315)	(168,509)
Net Cash (Used) by Capital and Related Financing Activities	<u>4,411,134</u>	<u>(534,609)</u>
Cash Flows From Investing Activities		
Receipt of Interest	50,731	3,026
Net Cash Provided by Investing Activities	<u>50,731</u>	<u>3,026</u>
Net Cash Increase (Decrease) in Cash and Cash Equivalents	5,827,614	416,089
Cash and Cash Equivalents, Beginning of Year	1,459,098	1,043,009
Cash and Cash Equivalents, End of Year	<u>\$ 7,286,712</u>	<u>\$ 1,459,098</u>
Reconciliation of Cash and Cash Equivalents to the Statement of Net Position:		
Cash and Cash Equivalents, Unrestricted	\$ 1,930,874	\$ 1,088,670
Cash and Cash Equivalents, Restricted	5,355,838	370,428
Total Cash and Cash Equivalents	<u>\$ 7,286,712</u>	<u>\$ 1,459,098</u>

(Continued)

See independent auditor's report.

Town of Livingston
Schedule of Cash Flows
Proprietary Fund Type
For the year ended December 31, 2019
(With Comparative Totals for the Year Ended December 31, 2018)

	Enterprise Funds	
	2019	2018
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities		
Operating Income (Loss)	\$ 913,811	\$ 840,195
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:		
Depreciation	403,014	419,916
(Increase) decrease in Accounts Receivable	(3,202)	(45,218)
(Increase) decrease in Other Receivable	27,691	(2,036)
(Increase) decrease in Inventory	64	-
(Increase) decrease in Prepaid Expenses	89	(996)
(Increase) decrease in Deferred Outflows of Resources	22,515	23,545
(Increase) decrease in Due (to) and from Other Funds	171,775	50,060
Increase (decrease) in Accounts Payable	6,312	11,537
Increase (Decrease) in Deferred Inflows of Resources	353	7,924
Increase (decrease) in Accrued Expenses	(16,755)	(77,766)
Increase (decrease) in Customer Deposits	8,817	12,493
Net Cash Provided by Operating Activities	\$ 1,534,484	\$ 1,239,654

(Concluded)

See independent auditor's report.

Town of Livingston
Combining Schedule of Revenues, Expenses and Changes in Net Position
Proprietary Fund Type, Utility Funds
For the year ended December 31, 2019

	<u>Gas</u>	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
Operating Revenues				
Gas Sales	\$ 605,797	\$ -	\$ -	\$ 605,797
Less Cost of Gas Sold	(138,549)	-	-	(138,549)
Gross Profit on Gas Sales	467,248	-	-	467,248
Water Sales	-	1,145,791	-	1,145,791
Sewer Service Charges	-	-	791,732	791,732
Intergovernmental	3,698	4,931	3,698	12,327
Other	16,486	85,851	36,043	138,380
Total Operating Revenues	<u>487,432</u>	<u>1,236,573</u>	<u>831,473</u>	<u>2,555,478</u>
Operating Expenses				
Depreciation & Amortization	20,769	147,390	234,855	403,014
Employee Benefits	62,535	83,378	62,534	208,447
Insurance	-	55,752	-	55,752
Other	25,988	69,769	126,600	222,357
Professional Fees	19,807	15,222	31,408	66,437
Repairs and Maintenance	32,112	57,297	51,200	140,609
Salaries and Wages	136,305	181,739	136,306	454,350
Supplies	6,875	11,447	7,272	25,594
Utilities	-	20,981	44,126	65,107
Total Operating Expenses	<u>304,391</u>	<u>642,975</u>	<u>694,301</u>	<u>1,641,667</u>
Operating Income (Loss)	<u>183,041</u>	<u>593,598</u>	<u>137,172</u>	<u>913,811</u>
Nonoperating Revenues (Expenses)				
Interest Income	33	915	49,783	50,731
Interest Expense	(383)	(505)	(270,348)	(271,236)
Bond Issuance Costs	-	-	(193,324)	(193,324)
Total Nonoperating Revenues (Expenses)	<u>(350)</u>	<u>410</u>	<u>(413,889)</u>	<u>(413,829)</u>
Income (Loss) Before Contributions and Transfers	<u>182,691</u>	<u>594,008</u>	<u>(276,717)</u>	<u>499,982</u>
Contributions and Transfers				
Contributions	-	-	-	-
Operating Transfers In	-	-	-	-
Operating Transfers Out	(50,621)	(67,493)	(50,621)	(168,735)
Change in Net Position	132,070	526,515	(327,338)	331,247
Total Net Position, Beginning				<u>7,401,767</u>
Total Net Position, Ending				<u>\$ 7,733,014</u>

See independent auditor's report.

Town of Livingston
Schedule of Revenues, Expenses and Changes in Net Position
Budget (GAAP Basis) and Actual, Proprietary Fund Type, Gas Utility System
For the year ended December 31, 2019

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Operating Revenues			
Gas Sales	\$ 587,000	\$ 605,797	\$ 18,797
Less Cost of Gas Sold	(135,935)	(138,549)	(2,614)
Gross Profit on Gas Sales	451,065	467,248	16,183
Other			
Delinquent Charges	8,500	8,111	(389)
Service Connection Charges	9,000	8,375	(625)
Intergovernmental	-	3,698	3,698
Total Operating Revenues	<u>468,565</u>	<u>487,432</u>	<u>18,867</u>
Operating Expenses			
Bad Debts	1,350	-	1,350
Depreciation	25,000	20,769	4,231
Employee Benefits			
Health Insurance	15,000	21,300	(6,300)
Payroll Taxes	9,800	10,039	(239)
Retirement	14,000	31,196	(17,196)
Other	36,000	25,988	10,012
Professional Fees	40,000	19,807	20,193
Repairs and Maintenance	50,000	32,112	17,888
Salaries and Wages			
Maintenance	92,000	115,937	(23,937)
Office	25,000	20,368	4,632
Supplies	8,000	6,875	1,125
Total Operating Expenses	<u>316,150</u>	<u>304,391</u>	<u>11,759</u>
Operating Income (Loss)	<u>152,415</u>	<u>183,041</u>	<u>30,626</u>
Nonoperating Revenues (Expenses)			
Interest Income	150	33	(117)
Interest Expense	(400)	(383)	17
Total Nonoperating Revenues (Expenses)	<u>(250)</u>	<u>(350)</u>	<u>(100)</u>
Income (Loss) Before Contributions and Transfers	<u>152,165</u>	<u>182,691</u>	<u>30,526</u>
Contributions and Transfers			
Capital Contributions	-	-	-
Operating Transfers In	-	-	-
Operating Transfers Out	(60,000)	(50,621)	9,379
Change in Net Position	<u>\$ 92,165</u>	<u>\$ 132,070</u>	<u>\$ 39,905</u>

See independent auditor's report.

Town of Livingston
Schedule of Revenues, Expenses and Changes in Net Position
Budget (GAAP Basis) and Actual, Proprietary Fund Type, Water Utility System
For the year ended December 31, 2019

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Operating Revenues			
Water Sales	\$ 1,160,000	\$ 1,145,791	\$ (14,209)
Other			
Delinquent Charges	26,500	26,767	267
Miscellaneous	1,000	469	(531)
Service Connection Charges	29,000	28,750	(250)
DHH Fees Collected	30,000	29,865	(135)
Intergovernmental	-	4,931	4,931
Total Operating Revenues	<u>1,246,500</u>	<u>1,236,573</u>	<u>(9,927)</u>
Operating Expenses			
Bad Debts	1,800	-	1,800
Depreciation	148,000	147,390	610
Employee Benefits			
Health Insurance	18,000	28,399	(10,399)
Payroll Taxes	13,200	13,384	(184)
Retirement	19,000	41,595	(22,595)
Insurance	60,000	55,752	4,248
Other			
Contract Services	28,000	29,736	(1,736)
Miscellaneous	16,500	10,083	6,417
Safe Drinking Water Fees	30,000	21,751	8,249
Vehicle Expense	8,000	8,199	(199)
Professional Fees	30,000	15,222	14,778
Repairs and Maintenance	68,000	57,297	10,703
Salaries and Wages			
Maintenance	125,000	154,582	(29,582)
Office	31,500	27,157	4,343
Supplies	12,000	11,447	553
Utilities	30,000	20,981	9,019
Total Operating Expenses	<u>639,000</u>	<u>642,975</u>	<u>(3,975)</u>
Operating Income (Loss)	<u>607,500</u>	<u>593,598</u>	<u>(13,902)</u>
Nonoperating Revenues (Expenses)			
Interest Income	1,000	915	(85)
Interest Expense	(510)	(505)	5
Total Nonoperating Revenues (Expenses)	<u>490</u>	<u>410</u>	<u>(80)</u>
Income (Loss) Before Contributions and Transfers	<u>607,990</u>	<u>594,008</u>	<u>(13,982)</u>
Contributions and Transfers			
Capital Contributions	-	-	-
Operating Transfers In	-	-	-
Operating Transfers Out	(80,000)	(67,493)	12,507
Change in Net Position	<u>\$ 527,990</u>	<u>\$ 526,515</u>	<u>\$ (1,475)</u>

See independent auditor's report.

Town of Livingston
Schedule of Revenues, Expenses and Changes in Net Position
Budget (GAAP Basis) and Actual, Proprietary Fund Type, Sewer Utility System
For the year ended December 31, 2019

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Operating Revenues			
Sewer Charges	\$ 790,000	\$ 791,732	\$ 1,732
Other			
Delinquent Charges	21,000	21,413	413
Licenses and Permits	2,000	2,424	424
Miscellaneous	-	-	-
Sewer Impact Fees	13,000	12,206	(794)
Intergovernmental	-	3,698	3,698
Total Operating Revenues	<u>826,000</u>	<u>831,473</u>	<u>5,473</u>
Operating Expenses			
Bad Debts	1,350	-	1,350
Depreciation & Amortization	240,000	234,855	5,145
Employee Benefits			
Health Insurance	15,000	21,300	(6,300)
Payroll Taxes	9,800	10,037	(237)
Retirement	14,000	31,197	(17,197)
Other			
Contract Services	60,000	48,635	11,365
Miscellaneous	15,500	8,057	7,443
Sewer Expense	75,000	69,908	5,092
Professional Fees	50,000	31,408	18,592
Repairs and Maintenance	60,000	51,200	8,800
Salaries and Wages			
Maintenance	92,000	115,938	(23,938)
Office	25,000	20,368	4,632
Supplies	8,000	7,272	728
Utilities	50,000	44,126	5,874
Total Operating Expenses	<u>715,650</u>	<u>694,301</u>	<u>21,349</u>
Operating Income (Loss)	<u>110,350</u>	<u>137,172</u>	<u>26,822</u>
Nonoperating Revenues (Expenses)			
Interest Income	150	49,783	49,633
Interest Expense	(149,200)	(270,348)	(121,148)
Bond Issuance Costs	-	(193,324)	(193,324)
Total Nonoperating Revenues (Expenses)	<u>(149,050)</u>	<u>(413,889)</u>	<u>(264,839)</u>
Income (Loss) Before Contributions and Transfers	<u>(38,700)</u>	<u>(276,717)</u>	<u>(238,017)</u>
Contributions and Transfers			
Capital Contributions	-	-	-
Operating Transfers In from Parish Council	-	-	-
Operating Transfers Out	(60,000)	(50,621)	9,379
Change in Net Position	<u>\$ (98,700)</u>	<u>\$ (327,338)</u>	<u>\$ (228,638)</u>

See independent auditor's report.

Town of Livingston
Schedule of Gas Sales and Purchases
Proprietary Fund Type
For the years ended December 31, 2019 and 2018

	2019	2018
Gas Sales and Purchases (Dollars)		
Gas Sales		
Volume mcf (Thousand Cubic Feet)	31,619	30,399
Dollar Amount	\$ 605,797	\$ 557,037
Cost of Gas Sold		
Volume mcf (Thousand Cubic Feet)	36,012	34,480
Dollar Amount	\$ (138,549)	\$ (135,749)
Gross Profit on Gas Sales	\$ 467,248	\$ 421,288
Gross Profit Percentage of Sales	77%	76%
Gas Unaccounted For		
Volume mcf (Thousand Cubic Feet)	4,393	4,081
Average Cost of Unaccounted for Gas	\$ 16,901	\$ 16,065
Percentage of Purchases	12%	12%
Number of Customers		
In Service		
Residential	640	620
Commercial	20	17
Industrial	3	3
Total Number of Customers	663	640
Computed Amounts per Customer (per mcf (Thousand Cubic Feet))		
Gas Sales	\$ 19.16	\$ 18.32
Gas Purchases	-3.85	-3.94
Subtotal	15.31	14.38
Unaccounted for Gas Purchases	-0.47	-0.47
Gross Profit	\$ 14.84	\$ 13.91
Average Monthly Customer Bill		
Residential	\$ 50.42	
Commercial	\$ 1,269.07	
Industrial	\$ 716.00	

See independent auditor's report.

Town of Livingston
Schedule of Gas, Water and Sewer Rates
Proprietary Fund Type
For the year ended December 31, 2019

Residential Rates		Commercial	Industrial	
In Town	Out of Town	In or Out of Town	In or Out of Town	
			\$ 19.98	(Flat Fee)
\$ 13.87	\$ 16.37	\$ 16.65	\$ 21.83	- First 1,000 Cubic Feet (Flat Fee)
\$ 15.72	\$ 18.22	\$ 18.50	\$ 23.68	- Per 1,000 Cubic Feet for Next 3,000 Cubic Feet
\$ 17.57	\$ 20.07	\$ 20.35	\$ 25.53	- Per 1,000 Cubic Feet for all over 4,000 Cubic Feet
Residential Rates		Commercial	Industrial	
In Town	Out of Town	In or Out of Town	In or Out of Town	
\$ 20.00				- First 3,000 Gallons (Flat Fee)
\$ 2.75				- Per 1,000 Gallons for all over 3,000 Gallons
	\$ 24.00			- First 2,000 Gallons (Flat Fee)
	\$ 3.00			- Per 1,000 Gallons for all over 2,000 Gallons
		\$ 24.00	\$ 94.00	- First 50,000 Gallons (Flat Fee)
		\$ 3.00	\$ 3.00	- Per 1,000 Gallons for all over 50,000 Gallons
Residential		Commercial	Industrial	
In Town	Out of Town	In or Out of Town	In or Out of Town	
\$ 32.00	\$ 34.50			- (Flat Fee)
		\$ 44.00		- First 10,000 Gallons (Flat Fee)
		\$ 4.25		- Per 1,000 Gallons for all over 10,000 Gallons
			\$ 96.00	- First 10,000 Gallons (Flat Fee)
			\$ 4.25	- Per 1,000 Gallons for all over 10,000 Gallons

See independent auditor's report.

Schedule of Number of Utility Customers
Proprietary Fund Type
For the year ended December 31, 2019

	Residential	Commercial	Industrial	Total
Gas	640	20	3	663
Water	2,462	86	3	2,551
Sewer	1,407	77	3	1,487
Total	4,509	183	9	4,701

See independent auditor's report.

**Town of Livingston
Schedule of Insurance
For the year ended December 31, 2019**

Insurance Company/ Number	Policy	Coverage	Amount	Period
Lloyd's London LMA1900073		Commercial Auto Physical Damage Auto Physical Damage	\$ 436,849	5/25/2019 to 5/25/2020
LMA1900074		Commercial Auto Physical Damage - Fire Department Auto Physical Damage	420,000	5/25/2019 to 5/25/2020
EMC Insurance Company T224447		Government Crime Policy Employee Theft	25,000	1/23/2019 to 1/23/2020
2A41022		Business Protection Building Personal Property	688,540 50,688	12/10/2019 to 12/10/2020
S089816		Fidelity Bond	300,000	9/22/2019 to 9/22/2020
1X2-09-15-20		Business Protection Building Personal Property Inland Marine	185,287 40,000 103,110	12/10/2019 to 12/10/2020
Louisiana Municipal Management Agency 100-1158-2019-17115		Auto Liability Commercial General Liability Occurrence Aggregate Law Enforcement Officers' Comprehensive Liability Public Officials' Errors & Omissions Liability	500,000 500,000 500,000 500,000 500,000	5/23/2019 to 5/23/2020

See independent auditor's report.

Schedule 15

**Town of Livingston
Schedule of Compensation Paid to Board Members
For the year ended December 31, 2019**

Name and Title / Contact Number	Address	Compensation Received
David McCreary, Mayor (225) 686-2305	P.O. Box 383 Livingston, LA 70754	\$ 70,426
Joey Sibley, Alderman (225) 686-7533	P.O. Box 643 Livingston, LA 70754	6,000
Percy Edler, Alderman (225) 445-3301	P.O. Box 1476 Livingston, LA 70754	6,000
Duane May, Alderman (225) 363-7474	P.O. Box 485 Livingston, LA 70754	6,000
Jessie "Dusty" Glascock, Alderman (225) 313-9526	P.O. Box 651 Livingston, LA 70754	6,000
James Nesom, Alderman (225) 341-9764	P.O. Box 758 Livingston, LA 70754	6,000
		\$ 100,426

All Terms Expire on December 31, 2020

The schedule of compensation paid board members is presented in compliance with House Concurrent Resolution Number 54 of the 1979 Session of the Louisiana Legislature.

See independent auditor's report.

Schedule 16

Town of Livingston
Schedule of Compensation, Benefits, Reimbursements, and Other Payments to Agency Head
For the year ended December 31, 2019

Agency Head Name: David McCreary, Mayor

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 64,426
Benefits-Insurance	506
Benefits-Retirement	9,019
Employer Paid Medicare & Social Security	5,348
Per Diem - Board Meetings	6,000
Telephone Reimbursements	900
Registration Fees	250
Conference Travel	736
Fuel Expense	1,016
Other Miscellaneous Supplies	328
	<u>\$ 88,529</u>

See independent auditor's report.

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AICPA

Member
LCPA

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

To the Honorable Mayor David McCreary
and Board of Aldermen
Town of Livingston, Louisiana

I have audited, in accordance with the 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, the financial statements of the governmental activities, the business-type activities, and each major fund of the Town of Livingston, Louisiana, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the Town of Livingston, Louisiana's basic financial statements and have issued our report thereon dated December 27, 2020.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, I considered the Town of Livingston, Louisiana's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town of Livingston, Louisiana's internal control. Accordingly, I do not express an opinion on the effectiveness of the Town of Livingston, Louisiana'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.

My consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. I did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as item 2019-001 that I consider to be a material weakness.

Compliance and Other Matters

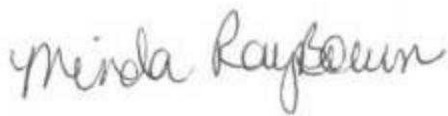
As part of obtaining reasonable assurance about whether the Town of Livingston, Louisiana's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and responses as item 2019-002.

Town of Livingston, Louisiana's Response to Findings

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

Purpose of this Report

The purpose of this report is solely to describe the scope of my 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 an 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.



Minda Raybourn CPA
Franklinton, LA

December 27, 2020

TOWN OF LIVINGSTON, LOUISIANA
Schedule of Findings and Responses
For the Year Ended December 31, 2019

Section II Financial Statement Findings

Finding 2019-001 Lack of Segregation of Duties (Material Weakness)

Criteria: Proper segregation of incompatible duties requires that there be different individuals responsible for authorizing transactions, recording transactions, preparing reconciliations, and maintaining custody of assets.

Condition: This condition has been recurring since 2013. In 2019, the Town adopted policies and procedures detailing the collection procedures. However, due to the small size of the Town's staff, incompatible duties are being performed by the town's billing clerk and the town clerk.

Cause: The Town's staff is not of sufficient size to allow for proper and appropriate segregation of duties.

Effect: Without segregation of incompatible duties, the Town is exposed to many risks including the risk of improper or unauthorized transactions; misappropriation of assets, and incomplete, inaccurate, or fraudulent reporting. The lack of segregation of incompatible duties represents a material weakness in the design of internal controls over financial reporting.

Recommendation: The Town should evaluate and redesign its internal control system such that no one individual is responsible for authorizing transactions recording transactions, preparing reconciliations, and maintaining custody of related assets.

Management's Response: While the Town has maintained certain entity level controls and compensating control activities as part of its internal control system, the Town recognizes the need to design and implement effective internal control activities related to utility billings. The Mayor and Town clerk are working with the Town's accountants and are active in redesigning the Town's internal control system surrounding utility billings.

Finding 2019-002 Local Government Budget Act (Noncompliance)

Criteria: The Town's general fund budgets should be amended, regardless of the amount of expenditures in the fund, when actual receipts plus projected revenue collections for the year fail to meet budgeted revenues by 5% or more; or when actual expenditures plus projected expenditures to year end exceed budgeted expenditures by 5% or more (Louisiana R.S. 39:1311).

TOWN OF LIVINGSTON, LOUISIANA
Schedule of Findings and Responses
For the Year Ended December 31, 2019

Condition: General fund expenditures exceed budgeted expenditures by 5.46% or \$124,507.

Effect: The Town did not comply with the Local Government Budget Act.

Cause: The Town's final amended budget for capital outlay expenditures was \$161,600. Actual capital outlay expenditures were \$417,449. Capital outlay expenditures was over budget due to the receipt of donated recreation assets in the amount of \$280,183.

Recommendation: In the budgeting process, the Town needs to ensure that donated assets are properly budgeted.

Management's Response: The Town will monitor the budget versus actual results carefully each month.

TOWN OF LIVINGSTON, LOUISIANA
Schedule of Prior Year Findings and Responses
For the Year Ended December 31, 2019

Finding 2018-1 Lack of Segregation of Duties (Material Weakness)

Criteria: Proper segregation of incompatible duties requires that there be different individuals responsible for authorizing transactions, recording transactions, preparing reconciliations, and maintaining custody of assets.

Condition: Incompatible duties are being performed by the town's billing clerk and the town clerk.

Cause: The Town's staff is not of sufficient size to allow for proper and appropriate segregation of duties.

Effect: Without segregation of incompatible duties, the Town is exposed to many risks including the risk of improper or unauthorized transactions; misappropriation of assets, and incomplete, inaccurate, or fraudulent reporting. The lack of segregation of incompatible duties represents a material weakness in the design of internal controls over financial reporting.

Recommendation: The Town should evaluate and redesign its internal control system such that no one individual is responsible for authorizing transactions recording transactions, preparing reconciliations, and maintaining custody of related assets.

Management's Response: While the Town has maintained certain entity level controls and compensating control activities as part of its internal control system, the Town recognizes the need to design and implement effective internal control activities related to utility billings. The Mayor and Town clerk are working with the Town's accountants and are active in redesigning the Town's internal control system surrounding utility billings.

Current Year Status: The Town has adopted formal collection policies and procedures. The Town has provided training and has improved the segregation of responsibilities allowed by the small size of the Town's staff. The Town's staff size does not allow for complete segregation of incompatible responsibilities. The Town and its professional accounting firm will continue to search for opportunities to improve and modify the system and to install compensating controls.

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Mayor David McCreary
And the Board of Aldermen
Of the Town of Livingston, LA
and the Louisiana Legislative Auditor:

I have performed the procedures enumerated below, which were agreed to by Town of Livingston Louisiana (Entity) and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2019 through December 31, 2019. The Entity's management is responsible for those C/C areas identified in the SAUPs.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, I make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

Written Policies and Procedures

1. Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories (if applicable to public funds and the entity's operations):
 - a. ***Disaster Recovery/Business Continuity***, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of

antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

The Town has adopted disaster a recovery/business continuity policy. It does not identify the personnel responsible for the procedures.

Ethics

2. Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Using the 5 randomly selected employees/officials, obtain ethics documentation from management, and:

- a. Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.

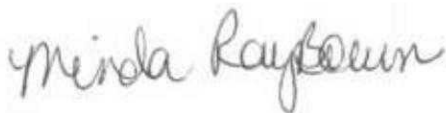
Each of the 5 employees and officials tested completed the one hour of ethics training.

- b. Observe that the documentation demonstrates each employee/official attested through signature verification that he or she has read the entity's ethics policy during the fiscal period.

Signature verifications were not available.

I was not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, I do not express such an opinion or conclusion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

The purpose of this report is solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.



Minda Raybourn CPA
Franklinton, LA

December 27, 2020