

TOWN OF LIVINGSTON, TENNESSEE

Audited Financial Statements

For the Fiscal Year Ended June 30, 2023

TOWN OF LIVINGSTON, TENNESSEE

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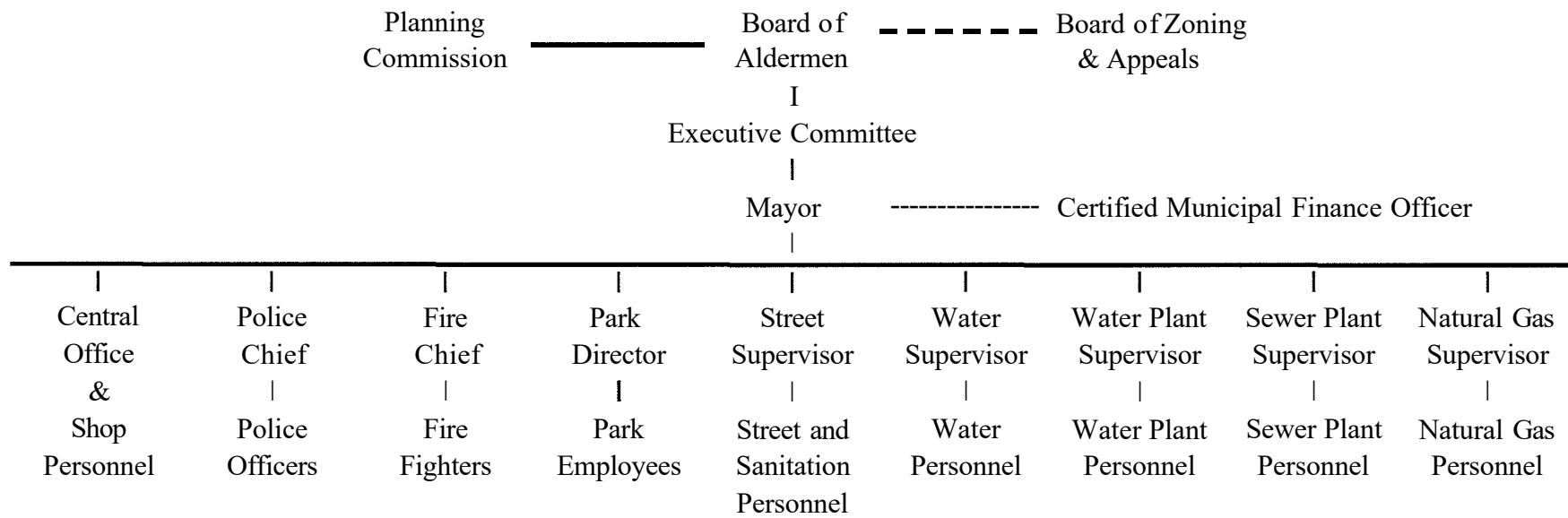
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INTRODUCTORY SECTION

TOWN OF LIVINGSTON, TENNESSEE

Organizational Chart June 30, 2023



Executive Committee is comprised of the Mayor and Vice Mayor

TOWN OF LIVINGSTON, TENNESSEE
LIST OF PRINCIPAL OFFICIALS

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Lori Elder Burnett, Mayor – (September 1, 2024 – Present)
Joel Parks, CMFO (July 1, 2022 – Present)
Kelly Williams, City Judge (July 1, 2022 – Present)

Prior to September 1, 2024
Curtis Hayes, Jr., Mayor (July 1, 2022 – August 31, 2024)

Aldermen

Rex Dale, Vice Mayor (July 1, 2022 – Present)
Bruce Elder (September 1, 2022 – Present)
David Langford (July 1, 2022 – Present)
Bill Linder (July 1, 2022 – Present)
Arno Proctor (September 1, 2024 – Present)
Lance Ruble (September 1, 2024 – Present)

Prior to September 1, 2024
Ken Dodson, Vice Mayor (July 1, 2022 – August 31, 2024)
John Clough (July 1, 2022 – August 31, 2024)

FINANCIAL SECTION

INDEPENDENT ACCOUNTANTS' AUDIT REPORT

Mayor and Board of Aldermen
Town of Livingston, Tennessee
Livingston, Tennessee

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Town of Livingston, Tennessee as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Town of Livingston, Tennessee's basic financial statements as listed in the table of contents.

In our opinion, based on our audit, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Town of Livingston, Tennessee as of June 30, 2023, the respective changes in its financial position and, where applicable, cash flows thereof and the respective budgetary comparisons of the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information/Management's Discussion and Analysis

Accounting principles generally accepted in the United States of America require that management's discussion and analysis, the schedule of changes in net pension liability(asset) and related ratios based on participation in the public employee pension plan of TCRS, schedule of contributions based on participation in the public employee pension plan of TCRS, and notes to the schedule of contributions be presented to supplement the financial statements. Such information is the responsibility of management and, although not a part of the financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other information we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Town of Livingston, Tennessee's financial statements. The accompanying information listed in the table of contents as other supplementary information is presented for purposes of additional analysis and is not a required part of the financial statements. The schedule of expenditures of federal awards and state financial assistance is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules, schedule of capital assets used in the operation of governmental funds, schedule of changes in property taxes receivable, schedule of uncollected taxes filed with Clerk and Master – last ten years, schedule of changes in lease obligations, schedule of changes in all long-term notes and bonds, schedule of maturities of indebtedness and interest requirements and schedule of expenditures of federal awards and state financial assistance and related notes and schedule of operating transfers are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Information

Management is responsible for the other information included in the financial statements. The other information comprises the schedule of enterprise funds utility rates in force, organizational chart, and list of principal officials but does not include the basic financial statements and our auditors' report thereon. Our opinion on the basic financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 14, 2025 on our consideration of Town of Livingston, Tennessee's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Town of Livingston, Tennessee's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Town of Livingston, Tennessee's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Mitchell Emert & Hiel". The signature is fluid and cursive, with "Mitchell" on the top line, "Emert" on the middle line, and "& Hiel" on the bottom line.

May 14, 2025

MANAGEMENT'S DISCUSSION & ANALYSIS

For the Fiscal Year ending June 30, 2023

Town of Livingston

Introduction

The Management's Discussion and Analysis (MD&A) is a required supplementary component of the Town's annual audit report. The MD&A portion of this audit report has been prepared by management of the Town of Livingston, and presents a narrative overview and analysis of the Town's financial performance for the fiscal year ended June 30, 2023.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the Town of Livingston's basic financial statements. The Town's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

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.

The *statement of net position* presents information on all of the Town's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in 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. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes). Interfund services provided and used are not eliminated in the process of consolidation.

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 uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town can be divided into two categories: governmental funds and proprietary funds.

Governmental funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financial requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the Town's near-term financing decisions.

Overview of the Financial Statements (Continued)

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.

Proprietary funds

The Town of Livingston maintains two *enterprise funds* that are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The Town of Livingston uses enterprise funds to account for its Water and Sewer Fund and for its Natural Gas Fund. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water and Sewer Fund and for the Natural Gas Fund, both of which are considered to be major funds of the Town of Livingston.

Notes to the financial statements

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

Condensed financial information

The following schedules presents a summary of the financial position for the fiscal years ended June 30, 2023 and 2022 and the amount and percentage of increases and decreases in relation to the year ended June 30, 2022.

Governmental Activities

<u>Statement of Net Position</u>	<u>FY 23</u>	<u>FY 22</u>	<u>Percentage Inc / (Dec)</u>
Total assets	\$18,144,074	\$17,715,367	2.4
Deferred outflows of resources	1,093,138	1,074,779	1.7
Total liabilities	2,239,499	2,375,167	(5.7)
Total deferred inflows of resources	2,575,383	3,176,877	(18.9)
Net invested in capital assets	8,532,294	7,511,586	13.6
Restricted net position	583,256	1,263,045	(53.8)
Unrestricted net position	5,306,780	4,463,471	18.9

Statement of Activities

Revenues

Charges for services	\$ 118,247	\$ 115,154	2.7
Operating grants and contributions	1,518,671	872,640	74.0
Capital grants and contributions	300,035	267,276	12.3
General revenues:			
Taxes	3,619,487	3,420,231	5.8
Intergovernmental	709,758	626,553	13.3
Other revenues	<u>371,591</u>	<u>558,087</u>	(33.4)
	<u>6,637,789</u>	<u>5,859,941</u>	13.3

Expenses

General government	1,214,690	1,037,615	17.1
Public safety	2,027,927	1,718,988	18.0
Streets	1,156,301	1,146,231	0.9
Recreation	393,903	358,362	9.9
Airport	530,469	492,035	7.8
Sanitation	129,041	103,901	24.2

Governmental Activities (Cont.)	FY 23	FY 22	Percentage Inc / (Dec)
Interest on long-term debt	\$ <u>57,549</u>	\$ <u>64,868</u>	(11.3)
	<u>5,509,880</u>	<u>4,922,000</u>	11.9
Increase/decrease in net position before transfers	1,127,909	937,941	20.3
Transfers	<u>56,319</u>	<u>56,319</u>	0.0
Increase/(decrease) in net position	1,184,228	994,260	19.1
Net position, beginning	<u>13,238,102</u>	<u>12,243,842</u>	8.1
Net position, ending	<u>\$14,422,330</u>	<u>\$13,238,102</u>	8.9

Significant increases compared to the prior year include Net Invested in Capital Assets, Operating Grants and Contributions, and Total Assets due to the strong addition of capital assets acquired through a prior year deferred grant proceeds along with minimal related new debt. Notable significant decreases are limited to Restricted Net Position and Total Revenue due to the disbursement of the prior year deferred grant proceeds and decreased current year COVID 19 government funding.

Capital Expenditures

Significant capital expenditures placed in service during FY23 include paving of streets for \$972,419; purchase of used police cars for \$298,351; and a wood chipper for \$84,863.

Business-Type Activities	FY 23	FY 22	Percentage Inc / (Dec)
<u>Statement of Net Position</u>			
Capital assets net of accumulated depr	\$27,916,938	\$28,615,907	(2.4)
Other assets	<u>2,439,970</u>	<u>2,564,885</u>	(4.9)
Total assets	<u>\$30,356,908</u>	<u>\$31,180,792</u>	(2.6)
Deferred outflows of resources	<u>614,890</u>	<u>793,560</u>	(22.5)
Long-term liabilities	\$10,722,514	\$11,543,145	(7.1)
Other liabilities	<u>1,863,998</u>	<u>2,102,622</u>	(11.3)
Total liabilities	<u>12,586,512</u>	<u>13,645,767</u>	(7.8)
Total deferred inflows of resources	<u>97,971</u>	<u>744,414</u>	(86.8)
Net invested in capital assets	16,141,015	15,817,202	2.0
Restricted net position	-	509,997	(100.0)
Unrestricted net position	<u>2,146,300</u>	<u>1,256,972</u>	70.8
Total net position	<u>\$18,287,315</u>	<u>\$17,584,171</u>	4.0
<u>Statement of Activities</u>			
Revenues			
Charges for services	\$7,511,382	\$6,860,277	9.5
Capital grants and contributions	179,254	673,411	(73.4)
Other	<u>4,450</u>	<u>481</u>	825.2
	<u>7,695,086</u>	<u>7,534,169</u>	2.1

Business-Type Activities (Cont.)	<u>FY 23</u>	<u>FY 22</u>	<u>Percentage Inc / (Dec)</u>
Expenses			
Water & sewer	\$4,552,509	\$3,941,770	15.5
Natural gas	<u>2,383,114</u>	<u>2,089,194</u>	14.1
	<u>6,935,623</u>	<u>6,030,964</u>	15.0
Increase in net position before transfers	759,463	1,503,205	(49.5)
Transfers	<u>(56,319)</u>	<u>(56,319)</u>	0.0
Increase in net position	703,144	1,446,886	(51.4)
Net position, beginning	17,584,171	16,102,322	9.2
Prior period adjustment	-	<u>34,963</u>	(100.0)
Net position, ending	<u>\$18,287,315</u>	<u>\$17,584,171</u>	4.0

The single significant increase compared to the prior year is Unrestricted Net Position; Significant decreases include Deferred Outflows and Inflows of Resources and Restricted Net Position due to state retirement adjustments; and Capital Grants and Contributions due to the decrease of grant funds received.

Capital Expenditures

Significant capital expenditures placed in service during FY23 include water and sewer improvements amounting to \$552,808 and \$72,404 for equipment.

Financial Analysis – General Fund

Highlights of Governmental Fund Balance Sheet include:

- The Town makes available to qualifying parties' loans to purchase parcels of land within the industrial park for facility construction.
- Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds" on the Governmental Fund Balance Sheet. The net amount of these accounts is eliminated in conversion to the Statement of net position.
- Net position related to police programs is restricted by law, while net position related to inventories and debt service are restricted by the Board of Aldermen.

General Fund Budgetary Highlights

The Town adopts an annual budget for its General Fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget. Overall, the Town's expenditures remained within appropriations of each major category.

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Increase (Decrease)</u>
Revenue			
Taxes	\$3,209,953	\$3,506,653	\$ 296,700
Intergovernmental	1,185,096	1,529,596	344,500
Licenses and permits	34,500	36,500	2,000
Charges for current services	59,000	58,500	(500)
Fines and forfeits	39,300	31,900	(7,400)
Other local revenues	<u>238,100</u>	<u>451,500</u>	<u>213,400</u>
	<u>4,765,949</u>	<u>5,614,649</u>	<u>848,700</u>

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Increase (Decrease)</u>
Expenditures			
General government	\$1,147,651	\$1,373,251	\$ 225,600
Public safety	1,786,000	2,247,200	461,200
Public service	1,579,746	1,508,546	(71,200)
Capital outlay	<u>-</u>	<u>602,100</u>	<u>602,100</u>
	<u>4,513,397</u>	<u>5,731,097</u>	<u>1,217,700</u>
Excess (deficiency) of revenues over expenditures	252,552	(116,448)	(369,000)
Other financing sources (uses)	<u>(8,000)</u>	<u>(8,000)</u>	<u>-</u>
Net change in fund balances	244,552	(124,448)	(369,000)
Fund balance, beginning	4,615,186	4,615,186	-
Changes in reserves for inventory	<u>1,000</u>	<u>1,000</u>	<u>-</u>
Fund balance, ending	<u>\$4,860,738</u>	<u>\$4,491,738</u>	<u>\$(369,000)</u>

The original budgets for taxes, intergovernmental and other financing sources increased due to initially using conservative estimates. The general government and public service original budgets increased significantly as the timeline for the various projects was undeterminable when the budget was prepared in June 2022.

Financial Analysis – Proprietary Funds

Enterprise Operations – There are two enterprise operations of the Town: Water and Sewer Fund and Natural Gas Fund. Combined assets of the two funds at June 30, 2023, totaled \$30,356,908. The Board of Aldermen imposes restrictions on net position related to debt service.

Debt Administration

As of June 30, 2023, the Town had outstanding bonds and notes in its proprietary funds totaling \$11,863,156. This debt consists of Water & Sewer bonds of \$8,103,518 and capital outlay notes payable of \$3,759,638. See Note 5 on pages 37-40 for more detailed information concerning long-term debt.

Economic Issues and Problem Areas

The trend at the state level is toward taking more and more of local government's share of state collected taxes (sales, gas, income, etc.). Many cities have been forced to increase their local property and other taxes in order to make ends meet. The alternative is to cut services such as police, fire, and street paving.

Independent Audit

State statutes require an annual audit by an independent certified public accounting firm. In addition to meeting the requirements set forth in state statutes, the audit is conducted in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, issued by the Comptroller General of the United States of America. The auditor's report on the basic financial statements and supplementary schedules is included in the financial section of this report.

Contacting the Town's Financial Management

The financial report is designed to provide a general overview of the Town's finances for all those with an interest in the Town's finances. If you have questions about this report or need additional financial information, contact the Town of Livingston, 301 McHenry Circle, Livingston, TN 38570. Our phone number is 931-823-1269.

TOWN OF LIVINGSTON, TENNESSEE

Statement of Net Position
June 30, 2023

	Governmental Activities	Business Activities	Total
ASSETS			
Cash and cash equivalents	\$ 3,038,419	\$ 3,654,119	\$ 6,692,538
Investments	189,004	-	189,004
Receivables, net of allowance for uncollectibles			
Taxes	1,940,267	-	1,940,267
Utility customers	6,816	196,081	202,897
Due from other governments - current	404,858	-	404,858
Other	65,253	447	65,700
Internal balances	2,038,118	(2,038,118)	-
Inventories, at cost	128,408	341,673	470,081
Prepaid expenses	21,182	-	21,182
Non-depreciable capital assets	998,634	285,768	1,284,402
Capital assets (net of accumulated depreciation)	9,313,115	27,916,938	37,230,053
Total Assets	<u>\$ 18,144,074</u>	<u>\$ 30,356,908</u>	<u>\$ 48,500,982</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension changes in contributions after measurement date	\$ 1,093,138	\$ 614,890	\$ 1,708,028
Total Deferred Outflows of Resources	<u>1,093,138</u>	<u>614,890</u>	<u>1,708,028</u>
LIABILITIES			
Accounts payable	185,794	213,156	398,950
Retainage payable	-	11,204	11,204
Accrued liabilities	144,947	130,691	275,638
Accrued interest	15,700	50,422	66,122
Customer deposits	-	88,314	88,314
Lease liability	109,889	198,535	308,424
Net pension liability	55,172	31,034	86,206
Long-term liabilities due within one year	432,970	1,140,642	1,573,612
Long-term liabilities due in more than one year	1,295,027	10,722,514	12,017,541
Total Liabilities	<u>2,239,499</u>	<u>12,586,512</u>	<u>14,826,011</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred current property taxes	1,843,073	-	1,843,073
Deferred inflows - federal grant funds	558,140	-	558,140
Pension changes in investment earnings	174,170	97,971	272,141
Total Deferred Inflows of Resources	<u>2,575,383</u>	<u>97,971</u>	<u>2,673,354</u>
NET POSITION			
Net investment in capital assets	8,532,294	16,141,015	24,673,309
Restricted			
DUI Program	11,973	-	11,973
Reality Program	630	-	630
Sex Offender Registry	300	-	300
Street improvements	42,952	-	42,952
Home rehabilitation	4,963	-	4,963
Police drug investigations	95,004	-	95,004
General debt service	427,434	-	427,434
Unrestricted	5,306,780	2,146,300	7,453,080
Total Net Position	<u>\$ 14,422,330</u>	<u>\$ 18,287,315</u>	<u>\$ 32,709,645</u>

See Accompanying Notes to Financial Statements

TOWN OF LIVINGSTON, TENNESSEE

Statement of Activities
For the Year Ended June 30, 2023

Functions / Programs:	Program Revenues				Net (Expenses) Revenue and Changes in Net Position		
					Primary Government		
	Expenses	Fees, Forfeits & Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Primary Government:							
Governmental Activities:							
General government	\$ 1,214,690	\$ -	\$ 643,252	\$ -	\$ (571,438)	\$ -	\$ (571,438)
Public safety	2,027,927	64,254	7,650	299,240	(1,656,783)	-	(1,656,783)
Streets	1,156,301	-	142,767	-	(1,013,534)	-	(1,013,534)
Recreation	393,903	26,443	-	-	(367,460)	-	(367,460)
Airport	530,469	-	149,279	795	(380,395)	-	(380,395)
Sanitation	129,041	26,564	-	-	(102,477)	-	(102,477)
Community assistance	-	986	575,723	-	576,709	-	576,709
Interest expense on long-term debt	57,549	-	-	-	(57,549)	-	(57,549)
Total Government Activities	5,509,880	118,247	1,518,671	300,035	(3,572,927)	-	(3,572,927)
Business-type Activities:							
Water and Sewer	4,552,509	5,012,443	-	162,077	-	622,011	622,011
Natural Gas	2,383,114	2,498,939	-	17,177	-	133,002	133,002
Total Business-type Activities	6,935,623	7,511,382	-	179,254	-	755,013	755,013
Total Primary Government	\$ 12,445,503	\$ 7,629,629	\$ 1,518,671	\$ 479,289	\$ (3,572,927)	\$ 755,013	\$ (2,817,914)
General Revenues:							
Taxes							
Property tax					1,678,539	-	1,678,539
Interest and penalty on taxes					6,530	-	6,530
Local sales tax					1,374,959	-	1,374,959
Local beer tax					265,976	-	265,976
Local hotel/motel tax					15,134	-	15,134
Package liquor store tax					111,501	-	111,501
Business tax					144,159	-	144,159
Cable TV franchise tax					22,689	-	22,689
Intergovernmental							
State sales tax					464,588	-	464,588
Payments in lieu of tax					46,951	-	46,951
Police subsidy					12,800	-	12,800
Fire education incentive					9,600	-	9,600
Liquor & mixed drink tax					18,897	-	18,897
Excise tax					104,511	-	104,511
Other					52,411	-	52,411
Other revenues					371,591	4,450	376,041
Total general revenues					4,700,836	4,450	4,705,286
Transfers					56,319	(56,319)	-
Total general revenues and transfers					4,757,155	(51,869)	4,705,286
Change in net position					1,184,228	703,144	1,887,372
Net Position - beginning of year					13,238,102	17,584,171	30,822,273
Net Position - end of year					\$ 14,422,330	\$ 18,287,315	\$ 32,709,645

See Accompanying Notes to Financial Statements

TOWN OF LIVINGSTON, TENNESSEE

Balance Sheet
Governmental Funds
June 30, 2023

	Major Fund	Nonmajor		Total Governmental Funds	
		Funds			
		Other Governmental Funds	General		
ASSETS					
Cash and cash equivalents	\$ 2,194,923	\$ 843,496	\$ 3,038,419		
Investments	-	189,004		189,004	
Receivables (net of allowances for uncollectibles)					
Taxes	1,940,267	-	1,940,267		
Utility customers	6,816	-	6,816		
Due from other governments	299,038	105,820	404,858		
Other	64,576	677	65,253		
Due from other funds	2,154,462	-	2,154,462		
Inventories	58,420	69,988	128,408		
Prepaid expenses	21,182	-	21,182		
Total assets	\$ 6,739,684	\$ 1,208,985	\$ 7,948,669		
LIABILITIES					
Accounts payable	\$ 179,734	\$ 6,060	\$ 185,794		
Accrued liabilities	142,400	2,547	144,947		
Due to other funds	-	116,344	116,344		
Total liabilities	\$ 322,134	\$ 124,951	\$ 447,085		
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows - property taxes	1,915,774	-	1,915,774		
Deferred inflows - federal grant funds	558,140	-	558,140		
Total deferred inflows of resources	\$ 2,473,914	-	\$ 2,473,914		
FUND BALANCES					
Nonspendable	79,602	69,988	149,590		
Restricted					
DUI Program	11,973	-	11,973		
Reality Program	630	-	630		
Sex Offender Registry	300	-	300		
Street improvements	-	42,952	42,952		
Home rehabilitation	-	4,963	4,963		
Police drug investigations	-	95,004	95,004		
General debt service	-	427,434	427,434		
Unassigned	3,851,131	443,693	4,294,824		
Total fund balances	\$ 3,943,636	\$ 1,084,034	\$ 5,027,670		
Total liabilities, deferred inflows of resources and fund balances	\$ 6,739,684	\$ 1,208,985	\$ 7,948,669		

See Accompanying Notes to Financial Statements

TOWN OF LIVINGSTON, TENNESSEE

**Reconciliation of the Balance Sheet to Statement of Net Position
of Governmental Activities
June 30, 2023**

Amounts reported for fund balance - total governmental funds	\$ 5,027,670
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.	
Add: land	998,634
Add: property and equipment	19,241,662
Add: leased vehicles	223,976
Less: accumulated depreciation	(10,038,436)
Less: accumulated amortization	(114,087)
Add: construction in progress	
Interest payable on long-term debt obligations is not due and payable in the current period and, therefore, is not reported in the governmental funds balance sheet.	
	(15,700)
Prior period taxes not received within 60 days is not reported as revenue and considered deferred	72,701
Long-term liabilities, including notes and bonds payable are not due and payable in the current period and therefore are not recorded in the governmental funds.	
Less: employee compensatory time	(58,431)
Less: lease liability	(109,889)
Less: notes payable	(1,563,000)
Less: bonds payable	(106,566)
Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be amortized and recognized as components of pension expense and other income in future years.	
Add: deferred outflows of resources related to pensions	1,093,138
Less: deferred inflows of resources related to pensions	(174,170)
Net pension liability of the cost-sharing plan are not current financial resources and are therefore not reported in the governmental funds	(55,172)
Net position of governmental activities	<u><u>\$ 14,422,330</u></u>

See Accompanying Notes to Financial Statements

TOWN OF LIVINGSTON, TENNESSEE

**Statement of Revenues, Expenditures and Changes in
Fund Balances - Governmental Funds
For the Fiscal Year Ended June 30, 2023**

	<u>Major Fund</u>	Nonmajor Funds			<u>Total Governmental Funds</u>	
		Other Governmental Funds		<u>General</u>		
		<u>General</u>	<u>Funds</u>			
Revenues						
Taxes	\$ 3,599,695	\$ -	\$ 3,599,695			
Intergovernmental	1,891,514	600,201	2,491,715			
Licenses and permits	36,750	-	36,750			
Charges for current services	61,974	-	61,974			
Fines and fees	53,850	2,422	56,272			
Other revenues	367,294	4,297	371,591			
Total revenue	6,011,077	606,920	6,617,997			
Expenditures						
Current						
General government	1,312,413	-	1,312,413			
Public safety						
Police	1,333,911	10,253	1,344,164			
Fire	619,767	-	619,767			
Streets	730,511	129,358	859,869			
Recreation	335,900	-	335,900			
Airport	209,489	-	209,489			
Sanitation	127,257	-	127,257			
Capital outlay	1,524,546	-	1,524,546			
Debt service	-	422,858	422,858			
Total expenditures	6,193,794	562,469	6,756,263			
Excess (deficiency) of revenues over expenditures	(182,717)	44,451	(138,266)			
Other financing sources and (uses)						
Transfers in	56,319	-	56,319			
Total other financing sources and (uses)	56,319	-	56,319			
Net change in fund balances	(126,398)	44,451	(81,947)			
Fund balances, beginning	4,070,034	1,039,583	5,109,617			
Fund balances, ending	\$ 3,943,636	\$ 1,084,034	\$ 5,027,670			

See Accompanying Notes to Financial Statements

TOWN OF LIVINGSTON, TENNESSEE

**Reconciliation of the Statement of Revenues, Expenses and Changes in
Fund Balances to the Statement of Activities**
June 30, 2023

Net change in fund balances - total governmental funds	\$ (81,947)
Amounts reported for governmental activities in the Statement of Activities are different because:	
Property taxes assessed prior to the current year are not considered as revenue unless collected within 60 days after year end	19,792
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	
Cost of assets acquired	1,524,546
Depreciation expense	(771,235)
Amortization expense	(50,812)
Note proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Assets. Repayment of the principal of long-term debt consumes the current financial resources of the governmental funds, but has no affect on net assets.	
Repayment of notes payable	358,000
Repayment of bonds payable	5,059
Reduction of lease liability	50,812
Employee compensatory time is accrued in governmental activities whereas in governmental funds compensatory time is reported when extinguished.	6,608
Interest is accrued on outstanding obligations in governmental activities whereas in governmental funds interest is reported when due.	
Notes payable	(12,114)
Bonds payable	(3,586)
Reversal of prior year accrued interest payable	17,950
Retirement contributions made after the actuarial measurement date are an expenditure in the governmental funds, but an increase in deferred outflows for governmental activities	132,691
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.	
Pension expense	(11,536)
Change in net position of governmental activities	<u>\$ 1,184,228</u>

See Accompanying Notes to Financial Statements

TOWN OF LIVINGSTON, TENNESSEE

**Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget (GAAP Basis) and Actual
General Fund**

For the Fiscal Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance - Favorable/ (Unfavorable)
	Original	Final		
Revenues				
Taxes				
Property tax (other than interest)	\$ 1,554,453	\$ 1,610,453	\$ 1,658,747	48,294
Interest and penalty on taxes	7,500	6,200	6,530	330
Local sales tax	1,200,000	1,475,000	1,374,959	(100,041)
Local beer tax	220,000	250,000	265,976	15,976
Package liquor store tax	86,000	96,000	111,501	15,501
Hotel/motel tax	2,000	12,000	15,134	3,134
Business tax	110,000	30,000	144,159	114,159
Cable TV franchise tax	30,000	27,000	22,689	(4,311)
Total taxes	<u>3,209,953</u>	<u>3,506,653</u>	<u>3,599,695</u>	<u>93,042</u>
Intergovernmental				
Grants	400,000	100,000	157,723	57,723
State TVA tax	35,000	24,000	46,951	22,951
Police subsidy	12,000	12,000	12,800	800
Fire education incentive	4,000	9,000	9,600	600
Courthouse square	-	538,000	538,180	180
Income tax	8,000	5,000	-	(5,000)
Beer tax	1,500	-	1,783	1,783
Liquor & mixed drink tax	15,000	15,000	18,897	3,897
City streets	8,400	8,400	7,154	(1,246)
State excise tax	80,000	10,000	104,511	94,511
Telecommunications sales tax	12,000	12,000	14,997	2,997
TN sports gaming	3,000	3,000	4,647	1,647
State of TN - other	5,500	5,500	30,984	25,484
FEMA funds	-	-	795	795
ARPA funds	600,696	600,696	643,252	42,556
Federal funds - other	-	187,000	299,240	112,240
Total	<u>1,185,096</u>	<u>1,529,596</u>	<u>1,891,514</u>	<u>361,918</u>
Licenses and permits				
Beer license	9,000	14,000	10,782	(3,218)
Liquor - annual permit	2,000	-	-	-
Building permits and zoning	20,000	18,000	22,668	4,668
Hotel/motel permit	500	1,500	1,800	300
Fireworks permits	3,000	3,000	1,500	(1,500)
Total	<u>34,500</u>	<u>36,500</u>	<u>36,750</u>	<u>250</u>
Charges for current services				
Fire protection	3,500	3,500	7,982	4,482
Solid waste collection charges	30,000	24,000	26,564	2,564
City pool income	15,000	23,000	19,586	(3,414)
City pool concessions	10,000	7,500	6,856	(644)
Farmers Market	500	500	986	486
Total	<u>59,000</u>	<u>58,500</u>	<u>61,974</u>	<u>3,474</u>
Fines and forfeits				
Police fines and fees	39,000	31,600	53,700	22,100
Sex offender registry	300	300	150	(150)
Total	<u>39,300</u>	<u>31,900</u>	<u>53,850</u>	<u>21,950</u>

Continued

See Accompanying Notes to Financial Statements

TOWN OF LIVINGSTON, TENNESSEE

**Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget (GAAP Basis) and Actual (Continued)**
General Fund

For the Fiscal Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance - Favorable/ (Unfavorable)
	Original	Final		
Revenues (Cont.)				
Interest income	\$ 100	\$ 100	\$ 328	\$ 228
Sale of assets	60,000	150,000	206,708	56,708
Cash short/over	-	-	(17)	(17)
T hangar rental	38,000	48,000	50,165	2,165
Aviation fuel sold	77,000	67,000	89,907	22,907
Airport miscellaneous	1,000	1,000	3,017	2,017
Miscellaneous income	25,000	155,000	3,036	(151,964)
Other grants	12,000	5,400	5,468	68
Contributions	25,000	25,000	-	(25,000)
Live in Livingston Sponsorships	-	-	8,600	8,600
Service Charges	-	-	82	82
Total	238,100	451,500	367,294	(84,206)
Total revenues	4,765,949	5,614,649	6,011,077	396,428
 Expenditures				
Current:				
General government				
City hall				
Salaries & wages	160,000	175,000	186,502	(11,502)
Hourly wages	10,000	15,000	-	15,000
Office supplies	3,500	3,500	15,753	(12,253)
Office postage	1,000	1,000	-	1,000
Office electricity	10,000	16,000	15,188	812
Office telephone	15,000	15,000	14,393	607
Office utilities	4,000	4,000	4,613	(613)
Office miscellaneous	3,000	3,000	-	3,000
Computer equip. & repair	15,000	25,000	-	25,000
Total	221,500	257,500	236,449	21,051
 Dues & donations				
Chamber of Commerce dues	21,000	21,000	21,185	(185)
TN Municipal League dues	3,200	3,200	1,327	1,873
Upper Cumberland dues	8,900	8,900	4,375	4,525
Local planning services	-	7,100	5,195	1,905
Hidden Valley dues	500	1,000	1,000	-
Schooling	-	-	385	(385)
Donation to senior citizens	6,000	6,000	6,000	-
Donation to Pacesetters	2,500	5,000	2,000	3,000
Donation to county library	5,000	2,500	5,000	(2,500)
Donation Snip -Ov Co.	1,000	1,000	1,000	-
Donation to Pioneer Days	6,000	6,000	-	6,000
Donation to Sunshine Day Care	500	500	500	-
Donation to UCHRA	2,312	2,312	2,320	(8)
Donation to music festival	1,000	1,000	-	1,000
Donation to Highland Initiative	10,000	10,000	10,000	-
Cash cemetery donation	500	500	-	500
CASA- Overton Co.	1,000	1,000	1,000	-
Total	69,412	77,012	61,287	15,725

Continued

See Accompanying Notes to Financial Statements

TOWN OF LIVINGSTON, TENNESSEE

**Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget (GAAP Basis) and Actual (Continued)
General Fund**

For the Fiscal Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance - Favorable/ (Unfavorable)
	Original	Final		
Expenditures (Cont.)				
Current (Cont.):				
General government (Cont.)				
Other general government				
Payroll tax	\$ 156,939	\$ 106,939	\$ 87,634	\$ 19,305
Hospital & health insurance	171,500	31,500	31,750	(250)
Employee retirement plan	80,000	70,000	63,703	6,297
Unemployment Insurance	-	-	124	(124)
Election expense	-	-	85	(85)
Legal fees	6,000	26,000	22,915	3,085
Audit and accounting	5,000	6,000	6,000	-
Consultant - UCEMC Acq.	10,000	10,000	5,650	4,350
Insurance consultant	-	22,000	21,120	880
Vehicle repair	1,000	1,000	706	294
Equipment repair	5,000	5,000	-	5,000
Mayor's travel, schooling	6,000	6,000	10,866	(4,866)
Travel	1,000	4,000	3,807	193
Other office supplies & materials	-	-	865	(865)
Uniform & linen shop and office	2,000	2,000	2,816	(816)
General maintenance	30,000	30,000	37,505	(7,505)
Gasoline and oil	15,000	23,000	25,699	(2,699)
Farmers market	1,500	1,500	1,483	17
Reappraisal cost to Overton Co.	23,000	23,000	25,558	(2,558)
Miscellaneous	28,000	53,000	40,189	12,811
Insurance & bonding	150,000	235,000	125,648	109,352
Vehicles	26,000	16,000	11,611	4,389
Equipment	5,000	11,000	7,599	3,401
Computer equip. & repair	6,000	66,000	74,401	(8,401)
Downtown revitalization	75,000	244,000	371,344	(127,344)
City garage telephone	1,800	1,800	1,847	(47)
City garage utilities	4,000	7,000	6,665	335
City garage vehicle repair	500	500	-	500
City garage equipment repair	2,000	2,000	330	1,670
City garage materials & supplies	7,500	7,500	6,342	1,158
City garage uniforms & linens	2,000	4,500	5,438	(938)
City garage miscellaneous	2,500	5,000	4,965	35
City garage vehicles	27,500	12,500	10,012	2,488
City garage equipment	5,000	5,000	-	5,000
Total	856,739	1,038,739	1,014,677	24,062
Total general government	1,147,651	1,373,251	1,312,413	60,838

Continued

See Accompanying Notes to Financial Statements

TOWN OF LIVINGSTON, TENNESSEE

**Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget (GAAP Basis) and Actual (Continued)
General Fund**

For the Fiscal Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance - Favorable/ (Unfavorable)
	Original	Final		
Expenditures (Cont.)				
Current (Cont.):				
Public safety				
Police department				
Hourly wages	\$ 871,000	\$ 871,000	\$ 901,056	\$ (30,056)
Bonus	12,000	27,000	26,400	600
Oasi (employer's share)	-	36,000	37,810	(1,810)
Hospital & health insurance	-	43,000	46,700	(3,700)
Employee retirement plan	-	29,000	30,520	(1,520)
Unemployment Insurance	-	1,000	618	382
Schooling	8,000	8,000	12,826	(4,826)
Electricity	15,000	20,000	17,992	2,008
Telephone	22,000	25,700	24,408	1,292
Utilities	4,000	4,000	4,426	(426)
Vehicle repair	40,000	15,000	7,083	7,917
Equipment repair	9,000	4,000	7,879	(3,879)
Travel	6,000	6,000	12,244	(6,244)
Materials & supplies	50,000	15,400	21,093	(5,693)
Uniforms & linens	15,000	15,000	7,044	7,956
Gasoline & oil	36,000	47,000	48,073	(1,073)
Miscellaneous	25,000	25,000	31,530	(6,530)
Vehicles	-	15,000	15,659	(659)
Equipment	20,000	55,000	46,449	8,551
Computer equip & software	15,000	53,500	34,101	19,399
Total	<u>1,148,000</u>	<u>1,315,600</u>	<u>1,333,911</u>	<u>(18,311)</u>
Fire department				
Hourly wages	411,000	404,000	425,302	(21,302)
Bonus	-	-	4,800	(4,800)
Oasi (employer's share)	-	16,000	16,432	(432)
Hospital & health insurance	-	31,600	35,000	(3,400)
Employee retirement plan	-	14,000	13,837	163
Unemployment Insurance	-	500	252	248
Fire calls	15,000	13,000	18,724	(5,724)
Schooling	20,000	16,000	5,117	10,883
Electricity	5,500	5,500	-	5,500
Telephone	2,000	2,000	1,463	537
Utilities	2,000	2,000	-	2,000
Vehicle repair	10,000	7,500	270	7,230
Equipment repair	17,000	17,000	15,639	1,361
Travel	500	40,500	127	40,373
Traffic Lights	30,000	20,000	7,342	12,658
Materials and supplies	40,000	20,000	20,050	(50)
Uniforms & linens	10,000	10,000	7,163	2,837
Gasoline & oil	7,000	15,000	8,969	6,031
Miscellaneous	6,000	6,000	14,564	(8,564)
Insurance & bonding	5,000	5,000	-	5,000
Equipment	25,000	18,000	8,622	9,378
Vehicles	20,000	18,000	8,552	9,448
Computer equip & software	12,000	250,000	7,542	242,458
Total	<u>638,000</u>	<u>931,600</u>	<u>619,767</u>	<u>311,833</u>
Total public safety	<u>1,786,000</u>	<u>2,247,200</u>	<u>1,953,678</u>	<u>293,522</u>

Continued

See Accompanying Notes to Financial Statements

TOWN OF LIVINGSTON, TENNESSEE

**Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget (GAAP Basis) and Actual (Continued)**
General Fund

For the Fiscal Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance - Favorable/ (Unfavorable)
	Original	Final		
Expenditures (Cont.)				
Current (Cont.):				
Public service				
Municipal park				
Hourly wages	\$ 140,000	\$ 140,000	\$ 143,866	\$ (3,866)
Oasi (employer's share)	-	10,000	4,584	5,416
Hospital & health insurance	-	3,000	3,000	-
Employee retirement plan	-	1,500	1,195	305
Unemployment Insurance	-	200	162	38
Electricity	35,000	41,200	37,911	3,289
Telephone	2,700	2,700	1,870	830
Utilities	25,000	41,000	31,505	9,495
Materials & supplies	40,000	31,000	46,294	(15,294)
Concession supplies	5,000	5,900	9,851	(3,951)
Maintenance	60,000	16,000	21,604	(5,604)
Miscellaneous	5,000	25,000	23,857	1,143
Vehicles	10,200	10,200	10,201	(1)
Equipment	17,300	5,300	-	5,300
Total	340,200	333,000	335,900	(2,900)
Airport				
Schooling	1,000	1,000	-	1,000
Electricity	10,000	10,000	6,809	3,191
Telephone	4,000	4,000	3,906	94
Utilities	1,500	1,500	1,068	432
Architects & engineers	40,000	104,000	102,279	1,721
Travel	2,000	2,000	972	1,028
Maintenance	22,000	12,000	8,806	3,194
Gas and oil	2,000	20,500	760	19,740
Aviation fuel	68,000	45,000	63,625	(18,625)
Regulatory Fees	500	6,500	5,774	726
Vehicles	5,346	5,346	4,901	445
Equipment	-	6,000	446	5,554
Miscellaneous	20,000	13,000	10,143	2,857
Total	176,346	230,846	209,489	21,357
City streets				
Hourly wages	370,500	322,500	335,003	(12,503)
Oasi (employer's share)	-	12,000	10,873	1,127
Hospital & health insurance	-	14,000	15,000	(1,000)
Employee retirement plan	-	9,000	9,323	(323)
Unemployment Insurance	-	500	168	332
Schooling	500	500	-	500
Street lights electricity	140,000	150,000	146,509	3,491
Traffic lights electricity	7,500	6,500	5,077	1,423
Vehicle repair	5,000	5,000	4,086	914
Equipment repair	10,000	34,000	31,418	2,582
Paving	-	50,000	46,113	3,887
Materials & supplies	50,000	53,000	59,035	(6,035)
Uniforms & linens	8,000	8,000	9,359	(1,359)
Gas & oil	13,500	15,500	26,096	(10,596)
Miscellaneous	6,000	12,500	9,900	2,600
Vehicles	325,000	85,000	20,822	64,178
Equipment	12,300	10,300	1,729	8,571
Total	948,300	788,300	730,511	57,789

Continued

See Accompanying Notes to Financial Statements

TOWN OF LIVINGSTON, TENNESSEE

**Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget (GAAP Basis) and Actual (Continued)**
General Fund

For the Fiscal Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance - Favorable/ (Unfavorable)
	Original	Final		
Expenditures (Cont.)				
Current (Cont.):				
Public service				
Sanitation				
Hourly wages	\$ 99,000	\$ 89,000	\$ 82,308	\$ 6,692
Oasi (employer's share)	- 3,400	2,858	542	
Hospital & health insurance	- 8,200	7,750	450	
Employee retirement plan	- 2,800	2,290	510	
Unemployment Insurance	- 100	72	28	
Vehicle repair	2,000	2,000	27,173	(25,173)
Equipment repair	5,000	42,000	1,493	40,507
Materials & supplies	1,000	1,000	-	1,000
Uniforms & linens	1,200	1,200	-	1,200
Gas & oil	6,200	6,200	3,313	2,887
Miscellaneous	500	500	-	500
Total	<u>114,900</u>	<u>156,400</u>	<u>127,257</u>	<u>29,143</u>
Total public service	<u>1,579,746</u>	<u>1,508,546</u>	<u>1,403,157</u>	<u>105,389</u>
Capital Outlay				
General government	-	96,000	91,248	4,752
Public safety				
Police department	-	366,100	362,555	3,545
Fire department	-	8,000	7,721	279
City streets	-	132,000	1,057,282	(925,282)
Sanitation	-	-	5,740	(5,740)
Total capital outlay	<u>- 602,100</u>	<u>1,524,546</u>	<u>(922,446)</u>	
Total expenditures	<u>4,513,397</u>	<u>5,731,097</u>	<u>6,193,794</u>	<u>(462,697)</u>
Excess (deficiency) of revenues over expenditures	<u>252,552</u>	<u>(116,448)</u>	<u>(182,717)</u>	<u>(66,269)</u>
Other financing sources (uses)				
Operating transfers in	42,000	42,000	56,319	14,319
Operating transfers out	(50,000)	(50,000)	-	50,000
Total other financing sources (uses)	<u>(8,000)</u>	<u>(8,000)</u>	<u>56,319</u>	<u>64,319</u>
Net change in fund balances	<u>244,552</u>	<u>(124,448)</u>	<u>(126,398)</u>	<u>(1,950)</u>
Fund balances, beginning	4,615,186	4,615,185	4,070,034	(545,151)
Changes in reserves for inventory accounts	1,000	1,000	-	(1,000)
Fund balances, ending	<u>\$ 4,860,738</u>	<u>\$ 4,491,737</u>	<u>\$ 3,943,636</u>	<u>\$ (548,101)</u>

See Accompanying Notes to Financial Statements

TOWN OF LIVINGSTON, TENNESSEE

Statement of Net Position
Proprietary Funds
June 30, 2023

<u>Business-type Activities - Enterprise Funds</u>			
	Water & Sewer Fund	Natural Gas Fund	Total
ASSETS			
Current			
Cash and cash equivalents	\$ 3,245,667	\$ 408,452	\$ 3,654,119
Receivables			
Utility customers, net of allowance for estimated uncollectibles	107,381	88,700	196,081
Due from other funds	11,508	1,259,299	1,270,807
Other	447	-	447
Inventories	221,868	119,805	341,673
Total current assets	<u>3,586,871</u>	<u>1,876,256</u>	<u>5,463,127</u>
Property, plant and equipment			
Land & land rights	282,018	3,750	285,768
Plant in service	47,538,092	1,855,437	49,393,529
Allowance for depr. - plant in service	(20,834,634)	(1,323,588)	(22,158,222)
Machinery & equipment	1,416,753	937,477	2,354,230
Allowance for depr. - mach. & equip.	(1,073,324)	(778,271)	(1,851,595)
Leased equipment	223,230	100,244	323,474
Allowance for amort. - leased equipment	(103,590)	(40,888)	(144,478)
Construction in progress	-	-	-
Total property, plant and equipment	<u>27,448,545</u>	<u>754,161</u>	<u>28,202,706</u>
Total assets	<u><u>\$ 31,035,416</u></u>	<u><u>\$ 2,630,417</u></u>	<u><u>\$ 33,665,833</u></u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension changes in contributions after measurement date	<u><u>\$ 461,168</u></u>	<u><u>\$ 153,722</u></u>	<u><u>\$ 614,890</u></u>
LIABILITIES			
Current			
Accounts payable	198,753	14,403	213,156
Retainage payable	11,204	-	11,204
Accrued liabilities	107,360	23,331	130,691
Accrued interest	50,422	-	50,422
Due to other funds	2,941,592	367,333	3,308,925
Customer deposits	69,882	18,432	88,314
Net pension liability	23,275	7,759	31,034
Current portion of lease liability	60,657	25,536	86,193
Current portion of long-term debt	1,140,642	-	1,140,642
Total current liabilities	<u>4,603,787</u>	<u>456,794</u>	<u>5,060,581</u>
Long-term liabilities			
Lease liability	135,025	63,510	198,535
Bonds payable	8,103,518	-	8,103,518
Notes payable	3,759,638	-	3,759,638
Less: current portion	(1,201,299)	(25,536)	(1,226,835)
Total long-term liabilities	<u>10,796,882</u>	<u>37,974</u>	<u>10,834,856</u>
Total liabilities	<u><u>15,400,669</u></u>	<u><u>494,768</u></u>	<u><u>15,895,437</u></u>
DEFERRED INFLOWS OF RESOURCES			
Pension changes in investment earnings	<u><u>73,478</u></u>	<u><u>24,493</u></u>	<u><u>97,971</u></u>
NET POSITION			
Net invested in capital assets	15,450,364	690,651	16,141,015
Unrestricted	572,073	1,574,227	2,146,300
Total net position	<u><u>\$ 16,022,437</u></u>	<u><u>\$ 2,264,878</u></u>	<u><u>\$ 18,287,315</u></u>

See Accompanying Notes to Financial Statements

TOWN OF LIVINGSTON, TENNESSEE

**Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
For the Fiscal Year Ended June 30, 2023**

	Water and Sewer	Natural Gas	Total
Operating revenues			
Charges for services	\$ 4,812,675	\$ 2,463,558	\$ 7,276,233
Penalties and interest	42,831	15,939	58,770
Supplies sold	8,045	2,318	10,363
Miscellaneous	95,300	8,864	104,164
Service charges	52,186	8,260	60,446
Inspection fees	1,406	-	1,406
Total operating revenues	<u>5,012,443</u>	<u>2,498,939</u>	<u>7,511,382</u>
Operating expenses			
Hourly wages	1,146,071	399,093	1,545,164
Payroll taxes	80,256	28,043	108,299
Hospital and Health Insurance (Employee insurance)	154,688	42,410	197,098
Retirement	97,304	56,493	153,797
Unemployment (Insurance)	614	189	803
Office supplies	4,724	6,121	10,845
Postage	17,692	9,822	27,514
Schooling	13,296	150	13,446
Leak survey	-	4,275	4,275
Electricity	733,420	997	734,417
Telephone	14,627	1,872	16,499
Utilities	52,578	266	52,844
Master meter	8,579	-	8,579
Architects & engineers	82,232	3,500	85,732
Vehicle repair	20,865	6,663	27,528
Equipment repair	128,802	43,068	171,870
Travel	3,399	440	3,839
Materials & supplies	209,040	3,798	212,838
Uniform & linens	21,801	5,203	27,004
Gasoline & oil	48,944	30,894	79,838
Natural gas purchases	-	1,375,001	1,375,001
Pipes and meters	32,631	32,377	65,008
Regulatory fees	61,170	10,449	71,619
Miscellaneous	55,890	19,099	74,989
Machinery & Equipment	3,700	-	3,700
Insurance & bonding	120,837	129,957	250,794
Equipment	18,921	3,878	22,799
Computer equipment repair	50,619	45,284	95,903
Chemicals	291,204	-	291,204
Lease Expense	11,355	3,152	14,507
Depreciation	732,356	99,870	832,226
Amortization	49,401	20,750	70,151
Total operating expenses	<u>4,267,016</u>	<u>2,383,114</u>	<u>6,650,130</u>
Operating income	<u>745,427</u>	<u>115,825</u>	<u>861,252</u>

Continued

See Accompanying Notes to Financial Statements

TOWN OF LIVINGSTON, TENNESSEE

**Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds (Continued)**

For the Fiscal Year Ended June 30, 2023

	Water and Sewer	Natural Gas	Total
Nonoperating revenues (expenses)			
Interest income	\$ 2,941	\$ 34	\$ 2,975
Gain on sale of assets	1,475	-	1,475
Interest expense	(284,993)	-	(284,993)
Other bond costs	(500)	-	(500)
Total nonoperating revenues (expenses)	<u>(281,077)</u>	<u>34</u>	<u>(281,043)</u>
Net income before contributions	464,350	115,859	580,209
Contributions			
Federal grants	49,366	-	49,366
Capital contributions - service tap fees	112,711	17,177	129,888
Total capital contributions	<u>162,077</u>	<u>17,177</u>	<u>179,254</u>
Transfers out	<u>(34,203)</u>	<u>(22,116)</u>	<u>(56,319)</u>
Change in net position	592,224	110,920	703,144
Net position, beginning	15,430,213	2,153,958	17,584,171
Net position, ending	<u>\$ 16,022,437</u>	<u>\$ 2,264,878</u>	<u>\$ 18,287,315</u>

See Accompanying Notes to Financial Statements

TOWN OF LIVINGSTON, TENNESSEE

Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2023

	Water and Sewer	Natural Gas	Total
<u>Cash flows from operating activities</u>			
Cash received from customers	\$ 4,980,354	\$ 2,447,734	\$ 7,428,088
Cash paid to employees for services	(1,146,071)	(399,093)	(1,545,164)
Cash paid to suppliers of goods and services	(920,776)	(2,603,834)	(3,524,610)
Cash received from customers deposits	(5,057)	2,687	(2,370)
Net cash provided (used) by operating activities	<u>2,908,450</u>	<u>(552,506)</u>	<u>2,355,944</u>
<u>Cash flows from non-capital and related financing activities</u>			
Transfers to other funds	(34,203)	(22,116)	(56,319)
Net cash provided (used) by non-capital financing activities	<u>(34,203)</u>	<u>(22,116)</u>	<u>(56,319)</u>
<u>Cash flows from capital and related financing activities</u>			
Acquisition and construction of capital assets	(477,345)	(11,831)	(489,176)
Proceeds from sale of assets	1,475	-	1,475
Capital contributed from federal grants	49,366	-	49,366
Capital contributed by customers	112,711	17,177	129,888
Proceeds from issuance of revenue bond	319,019	-	319,019
Principal paid on lease liability	(49,401)	(20,750)	(70,151)
Principal paid on note maturities	(589,908)	-	(589,908)
Principal paid on bond maturities	(529,635)	-	(529,635)
Interest paid on notes and bonds	(284,993)	-	(284,993)
Other bond costs	(500)	-	(500)
Unreconciled software errors	17,048	(11,726)	5,322
Net cash provided (used) by capital and related financing activities	<u>(1,432,163)</u>	<u>(27,130)</u>	<u>(1,459,293)</u>
<u>Cash flows from investing activities</u>			
Interest received	2,941	34	2,975
Net cash flows provided (used) by investing activities	<u>2,941</u>	<u>34</u>	<u>2,975</u>
Net increase (decrease) in cash	1,445,025	(601,718)	843,307
Cash, cash equivalents and restricted cash, beginning	1,800,642	1,010,170	2,810,812
Cash, cash equivalents and restricted cash, ending	<u>\$ 3,245,667</u>	<u>\$ 408,452</u>	<u>\$ 3,654,119</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities			
	Water and Sewer	Natural Gas	Total
Operating income	\$ 745,427	\$ 115,825	\$ 861,252
Adjustments to reconcile operating income to net cash provided by operation activities			
Depreciation and amortization	781,757	120,620	902,377
Pension contributions in excess of actuarially determined pension expense	(12,824)	(4,344)	(17,168)
(Increase) decrease in receivables	(32,089)	(51,205)	(83,294)
(Increase) decrease in due from other funds	(11,508)	(962,013)	(973,521)
(Increase) decrease in inventories	1,063	(44,692)	(43,629)
Increase (decrease) in accounts payable	(208,501)	14,403	(194,098)
Increase (decrease) in retainage payable	(15,288)	-	(15,288)
Increase (decrease) in accrued liabilities	61,630	19,473	81,103
Increase (decrease) in accrued interest	(3,857)	-	(3,857)
Increase (decrease) in due to other funds	1,607,697	236,740	1,844,437
Increase (decrease) in customer deposits	(5,057)	2,687	(2,370)
Net cash provided (used) by operating activities	<u>\$ 2,908,450</u>	<u>\$ (552,506)</u>	<u>\$ 2,355,944</u>

Investments that are neither cash nor cash equivalents are presented on the balance sheet at fair value. As the Town limits its investments to certificates of deposit, the change in the fair value of its investments is limited to accrued interest. In general, the town receives its interest income directly and is reported above as a component of investing activities. Periodically, an additional purchase or a withdrawal is made and they, too, are components of investing activities.

TOWN OF LIVINGSTON, TENNESSEE

Notes to Financial Statements

June 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Town of Livingston, Tennessee, have been prepared in conformity with Generally Accepted Accounting Principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant accounting policies.

The Reporting Entity

The Town of Livingston, Tennessee (the Town) is a municipality created under state statute. The Town is engaged in providing and maintaining various services to its citizens, such as utilities, street and park maintenance and other general services. The Board of Aldermen, through its executive committee (Mayor and Vice Mayor), is the governing body to which each department's management is accountable.

As of June 30, 2023, the Town had no component units that were required to be included in the financial statements.

Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) report information on all the activities of the government. 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.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with specific function or segment. Program revenues include (i) charges to customers or applicants (including fines and fees) who purchase, use, or directly benefit from goods, services or privileges provided by a given function or segment and (ii) 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 propriety funds even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue 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.

TOWN OF LIVINGSTON, TENNESSEE

Notes to Financial Statements (Continued)

June 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

Measurement Focus, Basis of Accounting and Financial Statement Presentation

Governmental funds 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 30 days of the end of the current fiscal period, except for property taxes that are collected within 60 days of year-end. Sales taxes and other shared revenues received through intermediary collecting governments are considered measurable and available if received by the Town within 60 days of year-end. Expenditures are generally recognized when the liability is incurred, as under accrual accounting. However, debt service expenditure, as well as expenditures related to compensated absences and claims and judgments are recorded only when payment is due.

Property taxes, state shared revenues, and interest associated with the current fiscal period is all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period using the criteria specified in the paragraph above. All other revenue items are considered to be measurable and available only when the government receives cash.

The Town reports the following major governmental fund:

The General Fund is the general operating fund of the Town. It is used to account for all financial resources except those required to be accounted for in another fund.

The Town reports the following major proprietary funds:

The Water & Sewer Fund accounts for the water and wastewater services provided to customers.

The Natural Gas Fund accounts for the provision of natural gas service to customers.

In general, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions include payments-in-lieu of taxes and other charges between the Town's utilities and various other functions of the Town. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include (i) charges to customer or applicants (including fines and fees) for goods, services or privileges provided, (ii) operating grants and contributions and (iii) capital grants and contributions. General revenues include all taxes and internally dedicated resources.

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. Operating revenue is recognized when billed.

The principal operating revenues of the various utility 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.

TOWN OF LIVINGSTON, TENNESSEE

Notes to Financial Statements (Continued)

June 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

Measurement Focus, Basis of Accounting and Financial Statement Presentation (Cont.)

When both restricted resources and unrestricted resources are available for use, it is the Town's policy to use restricted resources first, and then unrestricted resources as they are needed. It is also the Town's policy that committed amounts would be reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of these unrestricted fund balance classifications are used.

Cash, Cash Equivalents and Investments

Cash and cash equivalents consist of cash, demand deposits, savings accounts and certificates of deposits with original maturities of three months or less from the date of acquisition. Investments consist of certificates of deposit with maturities of greater than three months.

Inventories

Inventories consist of expendable supplies held for consumption and are valued at cost based on the first-in, first-out method. Inventories are accounted for by the purchase method whereby materials and supplies are charged as expenditures when acquired. Inventory on hand at year-end is recorded as an asset and a reservation of the fund balance is required for governmental funds. Proprietary fund inventories are accounted for in the same manner with the exception that there is no reservation of equity.

Receivables and Payables

Receivables are presented net of allowance for uncollectible accounts. The property tax receivable allowance account is equal to approximately 1.3% percent of the gross receivable. Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as due to/from other funds.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets consisting of certain improvements other than buildings, including roads, bridges, streets and sidewalks are reported in the governmental activities column in the government-wide financial statements. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Depreciation has been calculated using the straight-line method and estimated useful lives as follows:

Buildings and improvements	5-50 years
Improvements other than buildings	20 years
Utility plant and lines	40-100 years
Furniture and equipment	5-20 years
Street paving	15 years

Appropriations

Appropriations to other funds are accounted for as inter-fund transfers in the governmental fund statements, and are eliminated in the government-wide statements. Exchanges of equal or near equal value between funds are accounted for as inter-fund services provided and used.

TOWN OF LIVINGSTON, TENNESSEE

Notes to Financial Statements (Continued)

June 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

Accumulated Unpaid Vacation, Sick Pay and Compensatory Time

The Town does not provide for the accumulation of vacation days beyond the end of the fiscal year. The granting of sick leave has no guaranteed payment attached and therefore requires no accrual. Compensatory time is allowed to accrue beyond the end of the fiscal year. Accrued compensation is paid in the event of voluntary termination and no payment is paid in the event of involuntary termination. All compensatory time is accrued when incurred in the government-wide and proprietary fund financial statements. The General fund has generally been used in prior years to liquidate the liability for compensated balances.

Long-term Obligations

In the government-wide financial statements, and in 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 and note premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method.

Bonds payable are reported net of the applicable loss on refunding. Bond issue costs are reported net of amortization in other assets and amortized over the term of the related debt. 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 debt issued is reported as other financing sources. Premiums received on debt issuance 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.

Budget

The Town is required by state statute to adopt annual budgets. The General, Special Revenue, General Debt Service, and Proprietary Fund budgets are prepared on the basis where current available funds must be sufficient to meet current expenditures. The Town generally monitors the budget quarterly and the Board of Aldermen approves supplemental appropriations as necessary to each budgeted fund.

The Town follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to June 30, the Mayor/City Recorder submits to the Board of Aldermen a proposed operating budget for the fiscal year commencing the following July 1. The operating departmental budget establishes the budgetary level of control for the proposed expenditures and the means of financing them.
2. Public hearings are conducted at City Hall to obtain taxpayer comments.
3. Prior to July 1, the budget is legally enacted on second reading through passage of a resolution. In no event shall the total appropriations for any fund included in the budget exceed the estimated revenues and appropriated fund balance.

TOWN OF LIVINGSTON, TENNESSEE

Notes to Financial Statements (Continued)

June 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

Budget (Cont.)

4. The Mayor/City Recorder is authorized to transfer budgeted amounts within departments within any fund; however, revisions altering total expenditures of any department or fund require approval by the Board of Aldermen.
5. Formal budgetary integration is employed as a management control device during the year for the General and Special Revenue Funds.
6. Budgets for all governmental fund types are adopted on a basis generally consistent with generally accepted accounting principles (GAAP). These budget appropriations lapse at year-end.

The Town amended the budget of each fund on June 29, 2023, based on expected revenues and expenditures (expenses) through June 30, 2023.

Net position

Net investment in capital assets in the government-wide and proprietary fund financial statements consists of capital assets net of accumulated depreciation, reduced by the outstanding balances of any loaned funds for acquisitions, construction or improvement of those assets. The net investment of capital assets will also include deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt. If there are any significant unspent related debt proceeds or deferred inflows of resources at year-end, the portion of the debt or deferred inflows of resources attributable to the unspent proceeds are not included in the calculation of net investment in capital assets. Instead, the portion of the debt is included in the same net position component (restricted or unrestricted) as the unspent proceeds.

Restricted net position consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors or laws or regulations of other governments or (2) law through constitutions provisions or enabling legislation. When both restricted and unrestricted resources are available for use, it is the Town's policy to use restricted resources first, then unrestricted resources as they are needed.

Sometimes the government will fund outlays for a particular purpose from both restricted (e.g. restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as net position – restricted and net position – unrestricted in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider net position – restricted to have been depleted before net position - unrestricted is applied.

Fund Balances

In the fund financial statements, governmental funds report fund balance in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in these funds can be spent.

TOWN OF LIVINGSTON, TENNESSEE

Notes to Financial Statements (Continued)

June 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

Fund Balances (Cont.)

These classifications may consist of the following:

Nonspendable Fund Balance – includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Restricted Fund Balance – includes amounts that have constraints placed on the use of the resources that are either (a) externally imposed by creditors, grantors, contributors or laws and regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balance – includes amounts that can be used only for the specific purposes determined by a formal action of the Town's highest level of decision-making authority. The Board of Aldermen commits resources for specific purposes by passing ordinances.

Assigned Fund Balance – includes amounts that are constrained by the Town's intent to be used for specific purposes, but are neither restricted nor committed. The Town's Budget Committee is authorized to make assignments.

Unassigned Fund Balance – is represented by the residual classification of the General fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General fund.

The Town would typically use restricted resources first, followed by committed resources, and then assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first to defer the use of these other classified funds.

Property Tax

The Town's property tax is levied each October 1 on the assessed value as of the prior January 1 for all real and personal property located in the Town's legal boundaries. All Town taxes on real estate are declared to be a lien on such realty from January 1 of the year's assessments are made. Taxes delinquent for fourteen months are turned over to the County Clerk and Master for collection. Taxes are levied at a rate of \$1.06087 per \$100 of assessed valuation. Payments may be made during the period October 1 through February 28. Current tax collections of \$1,576,294 for the fiscal year ended June 30, 2023 were approximately 97 percent of the tax levy.

The government-wide financial statements report taxes receivable of \$1,940,267 which is net of an allowance for doubtful accounts of \$57,129. Of this amount, \$97,194 represents prior year property taxes and \$1,843,073 represents the estimated net realizable 2023 property taxes. The 2023 property taxes are presented as deferred inflows of resources. Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received but not earned.

TOWN OF LIVINGSTON, TENNESSEE

Notes to Financial Statements (Continued)

June 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense / expenditure) until then. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time.

Risk Financing

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town maintains commercial insurance coverage on each area of risk. The Town annually submits for bid all insurance coverage. Exposure is limited to claims in excess of standard policy limitations. The Town annually reviews its insurance needs based on claims and/or potential claims to minimize exposure. There were no claims in excess of insurance coverage during the past three years.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of Livingston's participation in the Public Employee Retirement Plan of the Tennessee Consolidated Retirement System (TCRS), and additions to/deductions from Livingston's fiduciary net position have been determined on the same basis as they are reported by the TCRS for the Public Employee Retirement Plan. For this purpose, benefits (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms of the Public Employee Retirement Plan of TCRS. Investments are reported at fair value.

NOTE 2 – DEPOSITS

Cash and cash equivalents consist of cash, demand deposits, savings accounts and certificates of deposits with original maturities of three months or less from the date of acquisition. Investments consist of certificates of deposit with maturities of greater than three months.

The Town is authorized to invest in U.S. Treasury Bills and certificates of deposit in local banks as well as participate in the Local Government Investment Pool administered by the State of Tennessee. The pool contains investments in certificates of deposit, U.S. Treasury securities and repurchase agreements, backed by the U.S. Treasury securities. The Treasurer of the State of Tennessee administers the investment pool. Although the Town may participate in the state investment pool, it elects not to. Town policy dictates that collateral meet certain requirements, such as, be deposited in an institution which participates in the state collateral pool or be deposited in an escrow account in another institution for the benefit of the Town and must be a minimum of 105% of the value of the deposits placed in the institution less the amount protected by federal deposit insurance.

TOWN OF LIVINGSTON, TENNESSEE

Notes to Financial Statements (Continued)

June 30, 2023

NOTE 2 – DEPOSITS (CONT.)

The state collateral pool is administered by the State of Tennessee. Members of the pool may be required by agreement to pay an assessment to cover any deficiency. Under this additional agreement, public fund accounts covered by the pool are considered to be classified as category one insured credit risk in accordance with GASB Statement No. 3, Deposits with Financial Institutions, Investments (including repurchase agreements) and Reverse Repurchase Agreements.

Custodial deposit risk is the risk that in the event of a bank failure, the Town's deposits may not be returned to it. The Town does not have a deposit policy for custodial credit risk. As of June 30, 2024, \$2,157,102 of the Town's bank balance of \$2,407,102 was exposed to custodial credit risk as uninsured and uncollateralized.

NOTE 3 – CAPITAL ASSETS

Governmental Activities

Capital assets activity of the governmental funds for the year ended June 30, 2023 was as follows:

<u>Assets</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
<u>Capital assets not being depreciated:</u>				
Land	\$ 998,634	\$ -	\$ -	\$ 998,634
Construction in progress	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
	<u>998,634</u>	<u>—</u>	<u>—</u>	<u>998,634</u>

Capital assets being depreciated:

Buildings	1,232,063	85,273	-	1,317,336
Improvements other than buildings	9,156,510	-	-	9,156,510
Machinery and equipment	3,551,392	466,854	-	4,018,246
Leased vehicles	223,976	-	-	223,976
Infrastructure	<u>3,777,151</u>	<u>972,419</u>	<u>-</u>	<u>4,749,570</u>
Total	<u>17,941,092</u>	<u>1,524,546</u>	<u>-</u>	<u>19,465,638</u>

Accumulated depreciation

Capital assets being depreciated:

Buildings	723,892	25,408	-	749,300
Improvements other than buildings	4,390,058	361,020	-	4,751,078
Machinery and equipment	3,022,833	111,481	-	3,134,314
Leased vehicles	63,275	50,812	-	114,087
Infrastructure	<u>1,130,418</u>	<u>273,326</u>	<u>-</u>	<u>1,403,744</u>
Total	<u>9,330,476</u>	<u>822,047</u>	<u>-</u>	<u>10,152,523</u>
Net depreciable capital assets	<u>8,610,616</u>	<u>702,499</u>	<u>-</u>	<u>9,313,115</u>
Governmental capital assets – net	<u>\$9,609,250</u>	<u>\$ 702,499</u>	<u>\$ -</u>	<u>\$10,311,749</u>

TOWN OF LIVINGSTON, TENNESSEE

Notes to Financial Statements (Continued)

June 30, 2023

NOTE 3 – CAPITAL ASSETS (CONT.)

Depreciation expense, including depreciation on assets acquired through capital leases, was charged to functions/programs as follows:

General government	\$ 43,321
Public safety	
Police	36,386
Fire	35,179
Streets	312,054
Recreation	67,339
Airport	325,984
Sanitation	<u>1,784</u>
	<u>\$822,047</u>

Business-type Activities

Capital assets activity of the Proprietary funds for the year ended June 30, 2023 was as follows:

<u>Business-type Activities</u> <u>Assets</u>	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Water & Sewer</u>	<u>Natural Gas</u>
<u>Capital assets not being depreciated:</u>						
Land	\$ 285,768	\$ -	\$ -	\$ 285,768	\$ 282,018	\$ 3,750
Construction in progress	<u>305,763</u>	<u>—</u>	<u>305,763</u>	<u>—</u>	<u>—</u>	<u>—</u>
Total	<u>591,531</u>	<u>—</u>	<u>305,763</u>	<u>285,768</u>	<u>282,018</u>	<u>3,750</u>
<u>Capital assets being depreciated:</u>						
Utility plant and buildings	48,737,780	655,749	-	49,393,529	47,538,092	1,855,437
Machinery and equipment	2,215,040	139,190	-	2,354,230	1,416,753	937,477
Leased vehicles	<u>599,827</u>	<u>—</u>	<u>276,353</u>	<u>323,474</u>	<u>223,230</u>	<u>100,244</u>
Total	<u>51,552,647</u>	<u>794,939</u>	<u>276,353</u>	<u>52,071,233</u>	<u>49,178,075</u>	<u>2,893,158</u>
<u>Business-type Activities</u> <u>Accumulated depreciation</u>	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Water & Sewer</u>	<u>Natural Gas</u>
<u>Capital assets being depreciated:</u>						
Utility plant and buildings	\$21,390,082	\$ 768,141	\$ -	\$22,158,222	\$20,834,634	\$1,323,588
Machinery and equipment	1,787,509	64,085	-	1,851,595	1,073,324	778,271
Leased vehicles	<u>74,327</u>	<u>70,151</u>	<u>—</u>	<u>144,478</u>	<u>103,590</u>	<u>40,888</u>
Total	<u>23,251,918</u>	<u>902,377</u>	<u>—</u>	<u>24,154,295</u>	<u>22,011,548</u>	<u>2,142,747</u>
Net depreciable capital assets	<u>28,300,729</u>	<u>(107,438)</u>	<u>276,353</u>	<u>27,916,938</u>	<u>27,166,527</u>	<u>750,411</u>
Business-type capital assets – net	<u>\$28,892,260</u>	<u>\$ (107,438)</u>	<u>\$ 582,116</u>	<u>\$28,202,706</u>	<u>\$27,448,545</u>	<u>\$ 754,161</u>
Current year depreciation					<u>\$ 781,757</u>	<u>\$ 120,620</u>

TOWN OF LIVINGSTON, TENNESSEE

Notes to Financial Statements (Continued)

June 30, 2023

NOTE 4 – RECEIVABLES

A summary of receivables totaling \$2,613,722 as of June 30, 2023, is as follows:

	<u>Governmental</u>	<u>Proprietary Funds</u>			<u>Total</u>
		<u>Water & Sewer</u>	<u>Natural Gas</u>		
Property taxes	\$1,997,396	\$ -	\$ -		\$1,997,396
Due from other governments	404,858	-	-		404,858
Customer charges	6,816	248,040	158,333		413,189
Other	65,253	447	-		65,700
Less: allowance	(57,129)	(140,659)	(69,633)		(267,421)
Total	<u>\$2,417,194</u>	<u>\$ 107,828</u>	<u>\$ 88,700</u>		<u>\$2,613,722</u>

The Town makes available to qualifying parties a loan to purchase a parcel located within the industrial park and to erect a building on that parcel. There were no such outstanding loans as of June 30, 2023.

NOTE 5 – LONG-TERM DEBT

The Town issues general obligation bonds and notes to provide funds for the acquisition and construction of major capital facilities or for other general government purposes. The Town also issues revenue notes and bonds where the Town commits income from the acquired or constructed assets to pay the debt service.

The general obligation capital outlay notes and bond debt is the responsibility of the general fund. The Drinking Water Revolving notes payable and TML revenue bonded debt issue relate only to the Water & Sewer proprietary fund. In event the proprietary fund revenues are insufficient to pay the debt service, the debt is payable from any other non-restricted funds of the Town.

All general obligation debt issues are secured by the ad valorem property taxes of the Town or equipment and the Drinking Water Revolving notes payable and TML revenue bonded debt issue are secured by a pledge of net Water & Sewer fund revenue.

TOWN OF LIVINGSTON, TENNESSEE

Notes to Financial Statements (Continued)

June 30, 2023

NOTE 5 – LONG-TERM DEBT (CONT.)

The following summarizes changes in long-term debt for the year ended June 30, 2023:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
<u>Governmental Activities:</u>					
General obligation notes	\$ 1,921,000	\$ -	\$ 358,000	\$ 1,563,000	\$ 369,000
General obligation bonds	111,625	-	5,059	106,566	5,539
Compensated absences	<u>65,039</u>	-	6,608	<u>58,431</u>	<u>58,431</u>
Total	<u>\$ 2,097,664</u>	<u>\$ -</u>	<u>\$ 369,667</u>	<u>\$ 1,727,997</u>	<u>\$ 432,970</u>
<u>Business-type Activities:</u>					
Capital outlay note	\$ 1,329,000	\$ -	\$ 169,000	\$ 1,160,000	\$ 176,000
Revenue bonds	3,755,499	319,019	166,000	3,908,518	171,000
Refunding bonds	4,558,635	-	363,635	4,195,000	365,000
Direct borrowings					
State revolving loans	<u>3,020,546</u>	<u>\$ -</u>	<u>420,908</u>	<u>2,599,638</u>	<u>428,642</u>
Total	<u>\$12,663,680</u>	<u>\$ 319,019</u>	<u>\$1,119,543</u>	<u>\$11,863,156</u>	<u>\$1,140,642</u>
<u>Business-type Activities:</u>					
Compensated absences*	<u>\$ 18,130</u>	<u>\$ 22,543</u>	<u>\$ -</u>	<u>\$ 40,673</u>	<u>\$ 40,673</u>

*Included in accrued liabilities

Long-term debt payable is comprised of the following:

Government Activities

Capital Outlay Note – Series 2013 (\$1,000,000), due in annual installments through November 2025 at 2.95%	\$ 283,000
Capital Outlay Note – Series 2015 (\$1,100,000), due in annual installments through June 2024 at 2.56%	135,000
Capital Outlay Note – Series 2018 (\$500,000), due in annual installments through October 2028 at 3.89%	323,000
Capital Outlay Note – Series 2020 (\$1,000,000), due in annual installments through August 2030 at 2.80%	822,000
General Obligation Bonds – FHA 97-31, (\$435,000) due in monthly installments through October 2036 at 4.75%	<u>106,566</u>
Total governmental activities	<u>\$ 1,669,566</u>

TOWN OF LIVINGSTON, TENNESSEE

Notes to Financial Statements (Continued)

June 30, 2023

NOTE 5 – LONG-TERM DEBT (CONT.)

Business-type Activities

2004 State Revolving Loan Program (\$1,426,694), due in 264 monthly installments through July 2026 at 1.96%	\$ 263,740
2008 State Revolving Loan Program (\$5,570,000), due in 276 monthly installments through November 2028 at 1.51%	1,699,982
2014 State Revolving Loan Program (\$520,000), due in 252 monthly installments through August 2035 at 1.64%	338,087
2015 State Revolving Loan Program (\$450,000), due in 240 monthly installments through November 2035 at 1.64%	297,829
Revenue Capital Outlay Note – Series 2019 (\$1,800,000), due in annual installments through April 2029 at 3.82%	1,160,000
2016 TML Local Govt Loan Program Bond (\$3,000,000), due in annual installments through December 2041 at 2.50%	2,439,000
2020 TML Local Govt Loan Program Bond (\$1,700,000), due in annual installments through February 2025 at 2.99%	1,469,518
2021 TML Local Govt Loan Program Bond (\$4,558,635), due in annual installments through December 2033 at 2.05%	<u>4,195,000</u>
Total business-type activities	<u>\$11,863,156</u>

The annual requirements to amortize all general obligation bonds and notes outstanding as of June 30, 2023, including interest payments of \$192,540 on notes and bonds carrying interest rates ranging from 2.56% to 3.89% are as follows:

Year Ending	Bonds		Notes		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2024	\$ 5,539	\$ 5,067	\$ 369,000	\$ 43,773	\$ 374,539	\$ 48,840
2025	5,802	4,804	241,000	32,983	246,802	37,787
2026	6,078	4,528	247,000	25,446	253,078	29,974
2027	6,366	4,240	156,000	19,148	162,366	23,388
2028	6,668	3,938	161,000	14,100	167,668	18,038
2029-2033	38,404	14,624	389,000	15,175	427,404	29,799
2034-2037	<u>37,709</u>	<u>4,714</u>	<u>–</u>	<u>–</u>	<u>37,709</u>	<u>4,714</u>
Total	<u>\$106,566</u>	<u>\$41,915</u>	<u>\$1,563,000</u>	<u>\$150,625</u>	<u>\$1,669,566</u>	<u>\$192,540</u>

Total general long-term debt due within one year includes \$374,539 general obligation notes and bonds presented above and compensated absences amounting to \$58,431 for a total of \$432,970.

TOWN OF LIVINGSTON, TENNESSEE

Notes to Financial Statements (Continued)

June 30, 2023

NOTE 5 – LONG-TERM DEBT (CONT.)

The annual requirements to amortize Water & Sewer revenue bonds and notes outstanding as of June 30, 2023, carrying interest rates ranging from 1.51% to 4.125% including interest payments of \$1,842,101 are as follows:

Year Ending	Bonds		Notes		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2024	\$ 536,000	\$ 186,956	\$ 604,642	\$ 82,470	\$ 1,140,642	\$ 269,426
2025	550,000	174,733	617,697	68,690	1,167,697	243,423
2026	565,000	162,183	631,767	54,669	1,196,767	216,852
2027	586,000	149,239	573,623	40,792	1,159,623	190,031
2028	546,000	136,441	572,750	27,674	1,118,750	164,115
2029-2033	3,031,000	484,489	637,687	29,512	3,668,687	514,001
2034-2033	1,493,000	201,288	121,472	1,986	1,614,472	203,274
2039-2042	<u>796,518</u>	<u>40,979</u>	<u>-</u>	<u>-</u>	<u>796,518</u>	<u>40,979</u>
Total	<u>\$8,103,518</u>	<u>\$1,536,308</u>	<u>\$3,759,638</u>	<u>\$305,793</u>	<u>\$11,863,156</u>	<u>\$1,842,101</u>

The Town received, on February 1, 2023, unused proceeds from a loan agreement with PBA Clarksville and First Horizon Bank dated December 28, 2016. The purpose of the loan is to finance water and sewer improvements. The loan agreement requires the loan to be fully drawn by the end of thirty-six months. The Town had two options: to notify the lender that the funds would not be withdrawn or to draw the remaining approved proceeds for use in water and sewer improvements. The Town decided to draw the fund for such projects. The prior reports correctly reflected a reduction of required principal and interest payments regarding this loan; however, upon acceptance of the remaining proceeds, the scheduled payments were restored to match the original amortization schedule provided by the lender for the remainder of the loan period.

Advance refunding

The Town issued on November 29, 2021, \$4,558,635 of Water & Sewer Refunding bonds to provide resources to refund the Series 2013 Refunding Bonds. The refunded bonds are considered to be defeased and the liability has been removed from its accounts. The refunding resulted in a savings to the Town of \$482,799.

The Town issued on August 30, 2013, \$7,175,000 of Water & Sewer Refunding Bonds to provide resources to refund the Refunding Bonds, Series 2002 and the remaining non-refunded maturity of Rural Development 97-32 and Rural Development 91-34. The refunded bonds are considered to be defeased and the liability has been removed from its accounts. The refunding resulted in a savings to the Town of \$242,819.

Debt refinanced in advance of their maturity consists of: 1) \$3,290,000 Refunding Bonds, Series 2002, (outstanding balance of \$1,945,000 maturing May 23, 2015 through May 23, 2024); its \$5,000,000 Rural Development 97-32 (outstanding balance of \$4,711,601 maturing September 17, 2013 through October 17, 2046; and its \$400,000 Rural Development 91-34 (outstanding balance of \$378,817 maturing September 2, 2013 through October 2, 2047.

The Town's outstanding notes and bonds payable contain provisions stating that, in the event of default, outstanding amounts are to become immediately due if the Town is unable to make payments. At June 30, 2023, there were no unused lines of credit. Governmental activities capital outlay notes and general obligation bonds are secured by the full taxing authority of the Town. Business-type activities refunding bonds and TML local government loan bond program bonds are secured by the user fees of the water and sewer system. The state revolving loans are draw loans whereby funding draws occur after expenditures for the projects are made and are also secured by the user fees of the water and system and are additionally secured by the Town's state shared tax revenues. It is not anticipated that revenues from the state shared taxes will be required.

TOWN OF LIVINGSTON, TENNESSEE

Notes to Financial Statements (Continued)

June 30, 2023

NOTE 6 – FEDERAL GUARANTEED LOANS

	<u>ID No.</u>	<u>Issue Date</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Original Issue</u>	<u>Balance 6-30-23</u>
General Obligation	97-31	10-29-98	10-29-36	4.75	\$ 185,000	\$ 106,566
Water & Sewer	2016	12-28-16	12-01-41	2.50	3,000,000	2,439,000
Water & Sewer	2020	02-26-20	02-26-25	2.99	1,700,000	1,469,518
Water & Sewer	2021	11-30-21	12-01-33	2.05	4,558,635	4,195,000
					<u>\$9,443,635</u>	<u>\$8,210,084</u>

NOTE 7 – LONG-TERM LEASES

The following summarizes changes in long-term leases for the year ended June 30, 2023.

Long-term leases at June 30, 2023 consisted of the following: Vehicle leases on 10 vehicles, interest rate of 3.00%, due in monthly installments ranging from \$359 and \$992 per vehicle.

The vehicle leases are not renewable and the Town will not acquire the vehicles at the end of the leases.

Governmental Activities

	<u>Beginning Balance</u>	<u>Proceeds</u>	<u>Payments</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Leased vehicles	<u>\$ 160,701</u>	\$ _____ -	<u>\$ 50,812</u>	<u>\$ 109,889</u>	<u>\$43,666</u>

Maturities of long-term leases are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 43,666	\$2,697	\$ 46,363
2025	43,205	1,378	44,583
2026	<u>23,018</u>	<u>250</u>	<u>23,268</u>
	<u>\$109,889</u>	<u>\$4,325</u>	<u>\$114,214</u>

Business Activities

	<u>Beginning Balance</u>	<u>Proceeds</u>	<u>Payments/ Correction</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Leased vehicles	<u>\$ 525,500</u>	\$ _____ -	<u>\$ 343,504</u>	<u>\$ 181,996</u>	<u>\$86,193</u>

Maturities of long-term leases are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 66,654	\$4,476	\$ 71,130
2025	68,681	2,462	71,143
2026	<u>46,661</u>	<u>501</u>	<u>47,162</u>
	<u>\$181,996</u>	<u>\$7,439</u>	<u>\$189,435</u>

TOWN OF LIVINGSTON, TENNESSEE

Notes to Financial Statements (Continued)

June 30, 2023

NOTE 8 – INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Due to/from Other Funds

Interfund receivables and payables are attributable to obligations for periodic transfers between funds. The actual cash transfer had not been made at June 30, 2023. Interfund receivables generally primarily represent unpaid reimbursements to the disbursing fund. The Town is currently still learning new accounting software installed during the fiscal year ended June 30, 2023. The new software will eventually eliminate the majority of the interfund receivables, however, difficulties in timely tracking and correcting the errors due heavily to software errors, significant interfund payables existed at June 30, 2023. The interfund balances at June 30, 2023, were as follows:

	<u>Receivable fund</u>		<u>Payable fund</u>
General	\$ 86,899	Street Aid	\$ 86,899
General	1,937	Home Rehabilitation	1,937
General	16,000	Police Drug	16,000
General	1,682,293	Water & Sewer	1,682,293
General	367,333	Natural Gas	367,333
Water & Sewer	11,508	General Debt Service	11,508
Natural Gas	1,259,299	Water & Sewer	1,259,299

Interfund Transfers

Interfund transfers for the year ended June 30, 2023, consisted of the following amounts:

<u>Transfers Out</u>	<u>Transfers In</u>	<u>Amount</u>	<u>Purpose</u>
Water & Sewer	General	\$ 34,203	In lieu of tax payments
Natural Gas	General	<u>22,116</u>	In lieu of tax payments
		<u>\$ 56,319</u>	

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires or allows to expend them and to use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. The transfers noted above as in lieu of tax payments are due from the utility funds to the General Fund for the fiscal year ended June 30, 2023.

NOTE 9 – EXPENDITURES IN EXCESS OF BUDGETED APPROPRIATIONS

Expenditures General Fund exceeded total budgeted appropriations due to oversight in the recognition of planned paving expenses during the process of projecting expenditures for the fiscal year ended June 30, 2023. General Fund expenditures exceeded total budgeted appropriations by \$462,697 due primarily to paving expenditures amounting to \$1,057,282 that exceeded the original budget of \$132,000 by \$925,282. The Board of Aldermen had previously approved the paving expenditures; however, the prepared budget amendments that were timely presented to the Board of Aldermen incorrectly omitted the necessary increase for this line item.

TOWN OF LIVINGSTON, TENNESSEE

Notes to Financial Statements (Continued)

June 30, 2023

NOTE 10 – OTHER AGREEMENTS

On April 1, 2017, the Town reached an agreement with TN Healthworks (a TN not-for-profit corporation) in that the Town would provide a sworn police officer for service to the hospital between the hours of 6 pm to 6 am each night for the safety and security of the hospital for \$66,000 per year payable in monthly installments of \$5,500. The initial twelve-month agreement has been renewed annually and is cancellable at the end of each renewed twelve-month term upon a ninety-day written notice.

NOTE 11 – PENSION PLAN

General Information about the Pension Plan

Plan Description

Employees of Livingston City are provided a defined benefit pension plan through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The TCRS was created by state statute under Tennessee Code Annotated, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained at <https://treasury.tn.gov/Retirement/Boards-and-Goveranace/Reporting-and-Investment-Policies>.

Benefits Provided

Tennessee Code Annotated, Title 8, Chapters 34-37, establishes the benefit terms and can be amended only by the Tennessee General Assembly. The chief legislative body may adopt the benefit terms permitted by statute. Members are eligible to retire with an unreduced benefit at age 60 with 5 years of service credit or after 30 years of service credit regardless of age. Benefits are determined by a formula using the member's highest five consecutive year average compensation and the member's years of service credit. Reduced benefits for early retirement are available at age 55 and vested. Members vest with five years of service credit. Service-related disability benefits are provided regardless of length of service. Five years of service is required for non-service-related disability eligibility. The service related and non-related disability benefits are determined in the same manner as a service retirement benefit but are reduced ten percent and include projected service credits. A variety of death benefits are available under various eligibility criteria.

Member and beneficiary annuitants are entitled to automatic cost of living adjustments (COLAs) after retirement. A COLA is granted each July for annuitants retired prior to the 2nd of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at 3 percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half percent and one percent. A member who leaves employment may withdraw their employee contributions, plus any accumulated interest.

Employees Covered by Benefit Terms – At the measurement date of June 30, 2022, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	38
Inactive employees entitled to but not yet receiving benefits	82
Active employees	86
Total	206

TOWN OF LIVINGSTON, TENNESSEE

Notes to Financial Statements (Continued)

June 30, 2023

NOTE 11 – PENSION PLAN (CONT.)

Contributions

Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Employees contribute 5% of salary. Livingston makes employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. For the year ended June 30, 2023, the employer contributions for Livingston were \$94,811 based on a rate of 3.25% of covered payroll. By law, employer contributions are required to be paid. The TCRS may intercept Livingston's state shared taxes if required employee contributions are not remitted. The employer's ADC and member contributions are expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

Net Pension Liability (Asset)

Livingston's net pension liability (asset) was measured as of June 30, 2022, and the total pension liability used to calculate net pension liability (asset) was determined by an actuarial valuation as of that date.

Actuarial Assumptions – The total pension liability as of the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25%
Salary increases	graded salary ranges from 8.72% to 3.44% based on age, including inflation, averaging 4.00%
Investment rate of return	6.75%, net of pension plan investment expenses, including inflation
Cost of living adjustment	2.125%

Mortality rates were based on actual experience including an adjustment for some anticipated improvement.

The actuarial assumptions used in the June 30, 2022, actuarial valuation was based on the results of an actuarial experience study performed for the period July 1, 2016, through June 30, 2020. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees in conjunction with the June 30, 2020 actuarial experience study. A blend of future capital market projections and historical market returns was used in a building-block method in which a best-estimate of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) is developed for each major asset class. These best-estimates 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 of 2.25%.

TOWN OF LIVINGSTON, TENNESSEE

Notes to Financial Statements (Continued)

June 30, 2023

NOTE 11 – PENSION PLAN (CONT.)

Actuarial Assumptions (Cont.)

The best-estimates of geometric real rates of return and the TCRS investment policy target asset allocation for each major asset class are summarized in the following table:

<u>Asset Class</u>	Percentage Long-term Expected Real Rate of Return	Percentage Target Allocations
U.S. Equity	4.88%	31%
Developed Market International Equity	5.37%	14%
Emerging Market International Equity	6.09%	4%
Private Equity and Strategic Lending	6.57%	20%
U.S. Fixed Income	1.20%	20%
Real Estate	4.38%	10%
Short-term Securities	0.00%	<u>1%</u>
		100%

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees as 6.75% based on a blending of the factors described above.

Discount Rate – The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current rate and that contributions from Livingston will be made at the actuarially determined contribution rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current active and inactive 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.

TOWN OF LIVINGSTON, TENNESSEE

Notes to Financial Statements (Continued)

June 30, 2023

NOTE 11 – PENSION PLAN (CONT.)

Changes in the Net Pension Liability (Asset)

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a)-(b)
Balance at June 30, 2021	\$ 11,785,730	\$12,908,249	\$(1,122,519)
Changes for the year:			
Service cost	276,086		276,086
Interest	800,674		800,674
Differences between expected and actual experience	(118,998)		(118,998)
Changes in assumptions	-		-
Contributions- employer		97,645	(97,645)
Contributions- employees		150,223	(150,223)
Net investment income		(490,758)	490,758
Benefits payments, including refunds of employee contributions	(399,969)	(399,969)	-
Administrative expense		(8,073)	8,073
Other Changes	-	-	-
Net changes	<u>557,793</u>	<u>(650,932)</u>	<u>1,208,725</u>
Balance at June 30, 2022	\$12,343,523	\$12,257,317	\$ 86,206

Sensitivity of the net pension liability (asset) to changes in the discount rate. The following represents the net pension liability (asset) calculated using the stated discount rate, as well as what the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
Livingston's net pension liability (asset)	\$1,933,516	\$86,206	(\$1,430,250)

Pension Expense (Negative Pension Expense) and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Pension expense. For the year ended June 30, 2023, Livingston recognized pension expense of \$212,937.

TOWN OF LIVINGSTON, TENNESSEE

Notes to Financial Statements (Continued)

June 30, 2023

NOTE 11 – PENSION PLAN (CONT.)

Deferred outflows of resources and deferred inflows of resources. For the year ended June 30, 2023, Livingston reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 249,295	\$ 272,141
Net difference between projected and actual earnings on pension plan investments	24,106	-
Changes in assumptions	1,221,690	-
Contributions subsequent to the measurement date of June 30, 2022	<u>212,937</u>	<u>N/A</u>
Total	<u>\$ 1,708,028</u>	<u>\$ 272,141</u>

The amount shown above for “Contributions Subsequent to the Measurement Date of June 30, 2022,” will be recognized as a reduction (increase) to net pension liability (asset) in the following measurement period.

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

June 30	<u>Amount</u>
2024	\$175,144
2025	\$181,791
2026	\$102,360
2027	\$463,912
2028	\$157,312
Thereafter	\$142,437

In the table shown above, positive amounts will increase pension expense while negative amounts will decrease pension expense.

Payable to the Pension Plan

At June 30, 2023, Livingston reported a payable of \$18,580 for the outstanding amount of contributions to the pension plan required at the year ended June 30, 2023.

NOTE 12 – COMMITMENTS

On May 1, 2023, the Board of Aldermen approved the purchase of land adjacent to the Town’s airport for fencing and the relocation of the fuel farm. The purchase of this property was completed in August 2023.

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF LIVINGSTON, TENNESSEE

Schedule of Changes in Net Pension Liability (Asset) and Related Ratios*
Based on Participation in the Public Employee Pension Plan of the TCRS
For the Year Ended June 30,

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Total pension liability									
Service cost	\$ 184,861	\$ 177,193	\$ 184,551	\$ 187,327	\$ 207,290	\$ 207,807	\$ 213,812	\$ 233,520	\$ 276,086
Interest	487,646	493,636	515,779	549,580	573,353	618,296	663,606	716,916	800,674
Changes in benefit terms	-	-	-	-	-	-	-	-	-
Differences between actual & expected experience	(378,739)	(146,634)	(23,596)	(114,795)	152,807	150,654	246,876	(181,827)	(118,998)
Change of assumptions	-	-	208,809	-	-	-	-	1,559,317	-
Benefit payments, including refunds of employee contributions	(192,480)	(219,960)	(252,662)	(205,004)	(335,590)	(292,535)	(423,067)	(394,332)	(399,969)
Net change in total pension liability	101,288	304,235	424,072	625,917	597,860	684,222	701,227	1,933,594	557,793
Total pension liability, beginning	6,413,315	6,514,603	6,818,838	7,242,910	7,868,827	8,466,687	9,150,909	9,852,136	11,785,730
Total pension liability, ending (a)	<u>6,514,603</u>	<u>6,818,838</u>	<u>7,242,910</u>	<u>7,868,827</u>	<u>8,466,687</u>	<u>9,150,909</u>	<u>9,852,136</u>	<u>11,785,730</u>	<u>12,343,523</u>
Plan fiduciary net position									
Contributions - employer	204,836	219,672	213,967	200,226	85,565	85,313	92,728	92,786	97,645
Contributions - employee	122,217	123,352	135,234	121,349	131,639	162,729	142,657	142,747	150,223
Net investment income	1,013,458	223,984	201,627	895,619	729,705	702,300	496,557	2,664,092	(490,758)
Benefit payments, including refunds of employee contributions	(192,480)	(219,960)	(252,662)	(205,004)	(335,590)	(292,535)	(423,067)	(394,332)	(399,969)
Administrative expense	(2,992)	(3,918)	(5,851)	(6,477)	(7,503)	(7,154)	(7,090)	(7,265)	(8,073)
Other	-	-	24,428	-	-	-	-	-	-
Net Change in plan fiduciary net position	1,145,039	343,130	316,743	1,005,713	603,816	650,653	301,785	2,498,028	(650,932)
Plan fiduciary net position, beginning	6,043,342	7,188,381	7,531,511	7,848,254	8,853,967	9,457,783	10,108,436	10,410,221	12,908,249
Plan fiduciary net position, ending (b)	<u>7,188,381</u>	<u>7,531,511</u>	<u>7,848,254</u>	<u>8,853,967</u>	<u>9,457,783</u>	<u>10,108,436</u>	<u>10,410,221</u>	<u>12,908,249</u>	<u>12,257,317</u>
Changes in benefit terms									
Net pension liability (asset), ending (a) - (b)	<u>\$ (673,778)</u>	<u>\$ (712,673)</u>	<u>\$ (605,344)</u>	<u>\$ (985,140)</u>	<u>\$ (991,096)</u>	<u>\$ (957,527)</u>	<u>\$ (558,085)</u>	<u>\$ (1,122,519)</u>	<u>\$ 86,206</u>
Plan fiduciary net position as a percentage of total pension liability	110.34%	110.45%	108.36%	112.52%	111.71%	110.46%	105.66%	109.52%	99.30%
Covered-employee payroll	\$ 2,444,342	\$ 2,454,432	\$ 2,390,674	\$ 2,426,980	\$ 2,632,771	\$ 2,625,024	\$ 2,853,143	\$ 2,854,934	\$ 3,004,453
Net pension liability (asset) as a percentage of covered-employee payroll	-27.56%	-29.04%	-25.32%	-40.59%	-37.64%	-36.48%	-19.56%	-39.32%	2.87%

Changes of assumptions. In 2021, the following assumptions were changed: decreased inflation rate from 2.50% to 2.25%; decreased the investment rate of return from 7.25% to 6.75%; decreased the cost-of-living adjustment from 2.25% to 2.125%; and modified mortality assumptions. In 2017, the following assumptions were changed: decreased inflation rate from 3.00% to 2.50%; decreased the investment rate of return from 7.50% to 7.25%; decreased the cost-of-living adjustment from 2.50% to 2.25%; decreased salary growth graded ranges from an average of 4.25% to an average of 4.00%; and modified mortality assumptions.

This is a 10-year schedule; however, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future fiscal years until 10 years of information is available.

TOWN OF LIVINGSTON, TENNESSEE

Schedule of Contributions
Based on Participation in the Public Employee Pension Plan of the TCRS
For the Year Ended June 30,

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Actuarially determined contributions	\$ 204,836	\$ 219,672	\$ 213,967	\$ 181,781	\$ 85,565	\$ 97,861	\$ 22,540	\$ 22,554	\$ 48,071	\$ 212,937
Contributions in relation to the actuarially determined contribution	<u>204,836</u>	<u>219,672</u>	<u>213,967</u>	<u>200,226</u>	<u>85,565</u>	<u>97,861</u>	<u>92,728</u>	<u>92,786</u>	<u>97,645</u>	<u>212,937</u>
Contribution deficiency (excess)	\$ _____ -	\$ _____ -	\$ _____ -	\$ <u>(18,445)</u>	\$ _____ -	\$ <u>(70,188)</u>	\$ <u>(70,232)</u>	\$ <u>(49,574)</u>	\$ _____ -	
Covered payroll	\$ 2,442,342	\$ 2,454,432	\$ 2,390,674	\$ 2,426,980	\$ 2,632,771	\$ 2,615,942	\$ 2,853,143	\$ 2,854,934	\$ 3,004,453	\$ 3,401,541
Contributions as a percentage of covered payroll	8.39%	8.95%	8.95%	8.25%	3.25%	3.74%	3.25%	3.25%	3.25%	6.26%

*GASB 68 requires a 10-year schedule for this data to be presented starting with the implementation of GASB 68. The information in this schedule is not required to be presented retroactively prior to the implementation date. Please refer to previously supplied data from the TCRS GASB website for prior years' data, if needed.

Notes to schedule

Valuation date: Actuarially determined contribution rates for 2023 were calculated based on the June 30, 2021 actuarial valuation.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal
Amortization method	Level dollar, closed (not to exceed 20 years)
Remaining amortization period	Varies by year
Asset valuation	10-year smoothed within a 20% corridor to market value
Inflation	2.25 percent
Salary increases	Graded salary ranges from 8.72 to 3.44% based on age, including inflation, averaging 4.00%
Investment rate of return	6.75%, net of investment expense, including inflation
Retirement age	Pattern of retirement determined by experience study
Mortality	Customized table based on actual experience including an adjustment for some anticipated improvement
Cost of living adjustments	2.125%

Changes of assumptions. In 2021, the following assumptions were changed: decreased inflation rate from 2.50 percent to 2.25 percent; decreased the investment rate of return from 7.25 percent to 6.75 percent; decreased the cost-of-living adjustment from 2.25 percent to 2.125 percent; and modified mortality assumptions. In 2017, the following assumptions were changed: decreased inflation rate from 3.00 percent to 2.50 percent; decreased the investment rate of return from 7.50 percent to 7.25 percent; decreased the cost-of-living adjustment from 2.50 percent to 2.25 percent; decreased salary growth graded ranges from an average of 4.25 percent to an average of 4.00 percent; and modified mortality assumptions.

SUPPLEMENTARY INFORMATION

NONMAJOR GOVERNMENTAL FUNDS

State Street Aid –	To account for the receipt and usage of the Town's share of state gasoline taxes. State law requires these gasoline taxes to be used to maintain streets.
Home Rehabilitation Grant –	To account for federal grant funds to aid in the rehabilitation of qualifying Town resident's homes.
Police Drug –	To account for drug fines collected and expenditures associated with police drug investigations.
Industrial Development –	To account for notes receivable issued by the Town to entice local businesses to the Town's industrial park.
General Debt Service –	To account for the receipt of state sales tax for the payment of general obligation debt. Excess funds over annual requirements are available for transfer to other governmental funds.

TOWN OF LIVINGSTON, TENNESSEE

Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2023

	Special Revenue Funds						Total
	Street Aid	Home Rehabilitation	Police Drug	Industrial Development	General Debt Service		
ASSETS							
Current							
Cash and cash equivalents	\$ 115,263	\$ 6,900	\$ 111,004	\$ 237,753	\$ 372,576	\$ 843,496	
Investments	-	-	-	189,004	-	189,004	
Receivables (net of allowances for uncollectibles)							
Due from other governments	23,195	-	-	-	82,625	105,820	
Other	-	-	-	677	-	677	
Inventories	69,988	-	-	-	-	69,988	
Total assets	<u>\$ 208,446</u>	<u>\$ 6,900</u>	<u>\$ 111,004</u>	<u>\$ 427,434</u>	<u>\$ 455,201</u>	<u>\$ 1,208,985</u>	
LIABILITIES							
Accounts payable	\$ 6,060	\$ -	\$ -	\$ -	\$ -	\$ 6,060	
Accrued liabilities	2,547	-	-	-	-	2,547	
Due to other funds	86,899	1,937	16,000	-	11,508	116,344	
Total liabilities	<u>\$ 95,506</u>	<u>1,937</u>	<u>16,000</u>	<u>-</u>	<u>11,508</u>	<u>124,951</u>	
FUND BALANCES							
Nonspendable	69,988	-	-	-	-	69,988	
Restricted	42,952	4,963	95,004	427,434	-	570,353	
Unassigned	-	-	-	-	443,693	443,693	
Total fund balances	<u>\$ 112,940</u>	<u>4,963</u>	<u>95,004</u>	<u>427,434</u>	<u>443,693</u>	<u>1,084,034</u>	
Total liabilities and fund balances	<u>\$ 208,446</u>	<u>\$ 6,900</u>	<u>\$ 111,004</u>	<u>\$ 427,434</u>	<u>\$ 455,201</u>	<u>\$ 1,208,985</u>	

TOWN OF LIVINGSTON, TENNESSEE

**Combining Statement of Revenues, Expenditures and
Changes in Fund Balances**
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2023

	Special Revenue Funds					Total
	Street Aid	Home Rehabilitation	Police Drug	Industrial Development	General Debt Service	
Revenues						
Intergovernmental	\$ 135,613	\$ -	\$ -	\$ -	\$ 464,588	\$ 600,201
Fines and forfeits	-	-	2,422	-	-	2,422
Other revenues	-	-	-	4,297	-	4,297
Total revenue	135,613	-	2,422	4,297	464,588	606,920
Expenditures						
Public safety - Police	-	-	10,253	-	-	10,253
Streets	129,358	-	-	-	-	129,358
Debt service	-	-	-	-	422,858	422,858
Total expenditures	129,358	-	10,253	-	422,858	562,469
Excess (deficiency) of revenues over expenditures	6,255	-	(7,831)	4,297	41,730	44,451
Net change in fund balances	6,255	-	(7,831)	4,297	41,730	44,451
Fund balances, beginning	106,685	4,963	102,835	423,137	401,963	1,039,583
Fund balances, ending	\$ 112,940	\$ 4,963	\$ 95,004	\$ 427,434	\$ 443,693	\$ 1,084,034

TOWN OF LIVINGSTON, TENNESSEE

**Statement of Revenues, Expenditures and Changes in
Fund Balance - Budget (GAAP Basis) and Actual
State Street Aid Fund**

For the Fiscal Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance - Favorable/ (Unfavorable)
	Original	Final		
Revenue				
Intergovernmental				
Gasoline & motor fuel tax	\$ 82,000	\$ 59,000	\$ 69,538	\$ 10,538
Gas 3 cents	25,000	17,200	20,108	2,908
Gas 1989	24,000	9,000	10,890	1,890
Gas 2017	28,000	28,000	35,077	7,077
Total intergovernmental	<u>159,000</u>	<u>113,200</u>	<u>135,613</u>	<u>22,413</u>
Other revenues				
Sale of assets	500	-	-	-
Total other revenues	<u>500</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues	<u>159,500</u>	<u>113,200</u>	<u>135,613</u>	<u>22,413</u>
Expenditures				
Current:				
Streets				
Hourly wages	67,023	67,023	67,014	9
Payroll tax	5,127	5,127	4,637	490
Employee insurance	4,800	2,800	3,000	(200)
Retirement - employer	2,300	4,300	4,102	198
Unemployment Insurance	-	-	21	(21)
Electricity	500	500	-	500
Architects and engineers	1,000	1,000	-	1,000
Vehicle repair	1,500	1,500	-	1,500
Equipment repair	9,000	5,000	6,359	(1,359)
Materials & supplies	35,000	35,000	41,461	(6,461)
Gasoline & oil	9,500	9,500	756	8,744
Miscellaneous	2,500	2,500	151	2,349
Insurance and bonding	3,000	3,000	-	3,000
Vehicles	12,000	12,000	1,857	10,143
Total expenditures	<u>153,250</u>	<u>149,250</u>	<u>129,358</u>	<u>19,892</u>
Excess of rev over (under) expenditures	<u>6,250</u>	<u>(36,050)</u>	<u>6,255</u>	<u>42,305</u>
Other financing sources (uses)				
Operating transfers - in	-	-	-	-
Net change in fund balances	<u>6,250</u>	<u>(36,050)</u>	<u>6,255</u>	<u>42,305</u>
Fund balances, beginning	<u>156,710</u>	<u>156,710</u>	<u>106,685</u>	<u>(50,025)</u>
Changes in reserves for inventory accounts	<u>1,500</u>	<u>1,500</u>	<u>-</u>	<u>(1,500)</u>
Fund balances, ending	<u>\$ 164,460</u>	<u>\$ 122,160</u>	<u>\$ 112,940</u>	<u>\$ (9,220)</u>

TOWN OF LIVINGSTON, TENNESSEE

**Statement of Revenues, Expenditures and Changes in
Fund Balance - Budget (GAAP Basis) and Actual
Home Rehabilitation Grant Fund**

For the Fiscal Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance - Favorable/ (Unfavorable)
	Original	Final		
Revenue				
Intergovernmental				
Grants	\$ -	\$ -	\$ -	\$ -
Total intergovernmental	<hr/> -	<hr/> -	<hr/> -	<hr/> -
Net change in fund balances	-	-	-	-
Fund balances, beginning	4,963	4,963	4,963	-
Fund balances, ending	<hr/> \$ 4,963	<hr/> \$ 4,963	<hr/> \$ 4,963	<hr/> \$ -

TOWN OF LIVINGSTON, TENNESSEE

**Statement of Revenues, Expenditures and Changes in
Fund Balance - Budget (GAAP Basis) and Actual
Police Drug Fund**

For the Fiscal Year Ended June 30, 2023

	Budgeted Amounts		Actual	Variance -
	Original	Final	Amounts	Favorable/ (Unfavorable)
Revenue				
Fines and forfeits				
Drug fines and fees	\$ 8,000	\$ 3,000	\$ 2,422	\$ (578)
Total revenues	<u>8,000</u>	<u>3,000</u>	<u>2,422</u>	<u>(578)</u>
Expenditures				
Current:				
Public Safety				
Vehicle repair	2,000	-	-	-
Equipment repair	1,000	-	-	-
Materials & supplies	15,000	-	-	-
Gasoline and Oil	3,000	-	-	-
Drug investigation	-	10,000	6,000	4,000
Police Camp	20,000	-	-	-
National Night Out	6,000	-	-	-
Drug awareness	4,000	-	-	-
Shooters education	1,500	-	-	-
Training range	5,000	-	-	-
Travel	2,000	-	-	-
Miscellaneous	5,000	-	-	-
Equipment	-	10,000	4,253	5,747
Total expenditures	<u>64,500</u>	<u>20,000</u>	<u>10,253</u>	<u>9,747</u>
Excess of revenues over (under)	<u>(56,500)</u>	<u>(17,000)</u>	<u>(7,831)</u>	<u>9,169</u>
Other financing sources (uses)				
Operating transfers	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>(56,500)</u>	<u>(17,000)</u>	<u>(7,831)</u>	<u>9,169</u>
Fund balances, beginning	66,716	66,716	102,835	36,119
Fund balances, ending	<u>\$ 10,216</u>	<u>\$ 49,716</u>	<u>\$ 95,004</u>	<u>\$ 45,288</u>

TOWN OF LIVINGSTON, TENNESSEE

**Statement of Revenues, Expenditures and Changes in
Fund Balance - Budget (GAAP Basis) and Actual
Industrial Development Fund**

For the Fiscal Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance - Favorable/ (Unfavorable)
	Original	Final		
Revenues				
Other revenues				
Interest income	\$ -	\$ -	\$ 4,297	\$ 4,297
Total revenues	<u>-</u>	<u>-</u>	<u>4,297</u>	<u>4,297</u>
Net change in fund balances			4,297	4,297
Fund balances, beginning	421,032	421,032	423,137	2,105
Fund balances, ending	<u>\$ 421,032</u>	<u>\$ 421,032</u>	<u>\$ 427,434</u>	<u>\$ 6,402</u>

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TOWN OF LIVINGSTON, TENNESSEE

**Statement of Revenues, Expenditures and Changes in
Fund Balance - Budget (GAAP Basis) and Actual
General Debt Service Fund**

For the Fiscal Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance - Favorable/ (Unfavorable)
	Original	Final		
Revenues				
Intergovernmental				
State Sales Tax	\$ 425,000	\$ 425,000	\$ 464,588	\$ 39,588
Total intergovernmental	<u>425,000</u>	<u>425,000</u>	<u>464,588</u>	<u>39,588</u>
Other revenues				
Interest income	-	-	-	-
Total other revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues	<u>425,000</u>	<u>425,000</u>	<u>464,588</u>	<u>39,588</u>
Expenditures				
Miscellaneous expense	500	500	-	500
Principal on bonds				
Chamber of Comm. bldg bond #97-31	5,300	5,300	5,294	6
Principal on notes				
Paving	89,000	87,000	89,000	(2,000)
Downtown park	132,000	129,000	132,000	(3,000)
Paving #2	47,000	45,000	47,000	(2,000)
Paving #3	90,000	88,000	90,000	(2,000)
Interest on bonds				
Industrial park bond #97-11	-	500	-	500
Chamber of Comm. bldg bond #97-31	5,300	5,300	5,313	(13)
Interest on notes				
Paving	9,700	12,300	9,661	2,639
Downtown park	6,900	10,200	6,835	3,365
Paving #2	13,500	15,500	13,479	2,021
Paving #3	24,300	26,800	24,276	2,524
Total expenditures	<u>423,500</u>	<u>425,400</u>	<u>422,858</u>	<u>2,542</u>
Excess (deficiency) of revenues over expenditures	<u>1,500</u>	<u>(400)</u>	<u>41,730</u>	<u>42,130</u>
Other financing sources and (uses)				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	1,500	(400)	41,730	42,130
Fund balances, beginning	376,991	376,991	401,963	24,972
Fund balances, ending	<u>\$ 378,491</u>	<u>\$ 376,591</u>	<u>\$ 443,693</u>	<u>\$ 67,102</u>

FINANCIAL SCHEDULES

TOWN OF LIVINGSTON, TENNESSEE

Capital Assets Used in the Operation of Governmental Funds

Schedule By Function and Activity

June 30, 2023

	Land	Buildings	Improvements			Total
			Other than Buildings	Equipment	Infrastructure	
General government	\$ 17,000	\$ 589,087	\$ 160,855	\$ 104,569	\$ 95,974	\$ 967,485
Public safety						
Police	-	254,981	20,200	920,812	-	1,195,993
Fire	8,700	254,981	-	1,691,614	-	1,955,295
Streets	-	10,000	-	637,704	4,653,596	5,301,300
Recreation	136,603	-	2,045,470	475,263	-	2,657,336
Airport	586,331	208,287	6,929,985	109,530	-	7,834,133
Sanitation	-	-	-	302,730	-	302,730
Industrial development	250,000	-	-	-	-	250,000
Total governmental capital assets	\$ 998,634	\$ 1,317,336	\$ 9,156,510	\$ 4,242,222	\$ 4,749,570	\$ 20,464,272

TOWN OF LIVINGSTON, TENNESSEE

Capital Assets Used in the Operation of Governmental Funds

Schedule of Changes by Function and Activity

For the Fiscal Year Ended June 30, 2023

	Beginning Balance	Additions	Deletions	Ending Balance
General government	\$ 876,237	\$ 91,248	\$ -	\$ 967,485
Public safety				
Police	833,438	362,555	-	1,195,993
Fire	1,947,574	7,721	-	1,955,295
Streets	4,244,017	1,057,283	-	5,301,300
Recreation	2,657,336	-	-	2,657,336
Airport	7,834,133	-	-	7,834,133
Sanitation	296,991	5,739	-	302,730
Industrial development	250,000	-	-	250,000
Total governmental capital assets	<u>\$ 18,939,726</u>	<u>\$ 1,524,546</u>	<u>\$ -</u>	<u>\$ 20,464,272</u>

TOWN OF LIVINGSTON, TENNESSEE

Schedule of Changes in Property Tax Receivable

For the Fiscal Year Ended June 30, 2023

<u>Year of Levy</u>	<u>Rate</u>	<u>Total Assessment</u>	<u>Levy</u>	<u>Balance June 30, 2022</u>	<u>Taxes Levied</u>	<u>Adjustments</u>	<u>Collections</u>	<u>Balance June 30, 2023</u>
2023	\$ 1.7187	\$ 108,648,870	\$ 1,867,349	\$ -	\$ 1,867,349	\$ -	\$ -	\$ 1,867,349
2022	1.6087	102,754,358	1,653,010	1,653,010	-	1,265	1,546,922	107,353
2021	1.5587	102,054,511	1,590,724	60,455	-	(9,818)	44,341	6,296
2020	1.5087	99,051,654	1,494,393	14,786	-	3,508	11,471	6,823
2019	1.4503	84,108,267	1,219,822	7,481	-	1,739	1,764	7,456
2018	1.4503	83,051,552	1,204,497	1,703	-	(587)	550	566
2017	1.4503	81,678,658	1,184,586	338	-	782	800	320
2016	1.4503	83,835,837	1,215,872	994	-	198	553	639
2015	1.2603	80,168,665	1,010,367	260	-	423	269	414
2014	1.2436	79,100,124	983,690	178	-	34	126	86
2013	1.2436	78,637,230	977,933	177	-	-	126	51
2012	1.2436	77,992,119	949,310	43	-	-	-	43
2011	1.1236	77,734,833	921,889	388	-	(388)	-	-
				\$ <u>1,739,813</u>	\$ <u>1,867,349</u>	\$ <u>(2,844)</u>	\$ <u>1,606,922</u>	\$ <u>1,997,396</u>

TOWN OF LIVINGSTON, TENNESSEE

**Schedule of Uncollected Taxes Filed
with Clerk & Master - Last Ten Years**

For the Fiscal Year Ended June 30, 2023

Tax Year	Delinquent Beginning	Collections	Correction to Prior Year	Turned Over to Clerk & Master	Delinquent Ending
2012	\$ 43	\$ -	\$ -	\$ -	43
2013	177	126	-	-	51
2014	178	126	34	-	86
2015	260	269	423	-	414
2016	994	553	198	-	639
2017	338	800	782	-	320
2018	1,703	550	(587)	-	566
2019	7,481	1,764	1,739	-	7,456
2020	14,786	11,471	3,508	-	6,823
2021	-	9,419	-	15,715 *	6,296
Total	\$ 25,960	\$ 25,078	\$ 6,097	\$ 15,715	\$ 22,694

* Turned over to Overton County Clerk & Master on March 31, 2023

Uncollected taxes from each year above were turned over to the Overton County Clerk & Master.

TOWN OF LIVINGSTON, TENNESSEE

Schedule of Changes in Lease Obligations

June 30, 2023

<u>Description of Indebtedness</u>	<u>Original Amount of Issue</u>	<u>Interest Rate</u>	<u>Date of Issue</u>	<u>Last Maturity Date</u>	<u>Outstanding 7/1/2022</u>	<u>Issued During Period</u>	<u>Paid and/or Matured During Period</u>	<u>Outstanding 6/30/2023</u>
Governmental Activities:								
Vehicle lease	20177	3.00%	3/1/2021	2/1/2025	\$ 13,684	\$ -	\$ 5,004	\$ 8,680
Vehicle lease	23148	3.00%	11/1/2021	10/1/2022	3,945	-	3,945	-
Vehicle lease	39031	3.00%	6/1/2021	5/1/2026	30,986	-	7,569	23,417
Vehicle lease	23713	3.00%	12/1/2020	11/1/2025	16,543	-	4,668	11,875
Vehicle lease	23713	3.00%	12/1/2020	11/1/2025	16,543	-	4,668	11,875
Vehicle lease	23713	3.00%	12/1/2020	11/1/2025	16,543	-	4,668	11,875
Vehicle lease	23713	3.00%	12/1/2020	11/1/2025	16,543	-	4,668	11,875
Vehicle lease	20038	3.00%	12/1/2020	11/1/2025	13,979	-	3,944	10,035
Vehicle lease	21095	3.00%	12/1/2020	11/1/2022	4,489	-	4,489	-
Vehicle lease	36794	3.00%	3/1/2021	2/1/2026	27,446	-	7,189	20,257
					\$ 160,701	\$ -	\$ 50,812	\$ 109,889
Business-Type Activities:								
<u>Water & Sewer</u>								
Vehicle lease	23,135	3.00%	12/1/2020	11/1/2022	\$ 4,922	\$ -	\$ 4,922	\$ -
Vehicle lease	26,531	3.00%	12/1/2020	11/1/2025	18,509	-	5,223	13,286
Vehicle lease	26,531	3.00%	12/1/2020	11/1/2025	18,509	-	5,223	13,286
Vehicle lease	26,531	3.00%	12/1/2020	11/1/2025	18,509	-	5,223	13,286
Vehicle lease	33,575	3.00%	2/1/2021	1/1/2026	24,506	-	7,133	17,373
Vehicle lease	36,793	3.00%	3/1/2021	2/1/2026	27,445	-	7,189	20,256
Vehicle lease	37,071	3.00%	4/1/2021	3/1/2026	28,246	-	7,225	21,021
Vehicle lease	37,265	3.00%	4/1/2021	3/1/2026	28,395	-	7,263	21,132
					169,041	-	49,401	119,640
<u>Natural Gas</u>								
Vehicle lease	39,031	3.00%	6/1/2021	5/1/2026	30,986	-	7,569	23,417
Vehicle lease	33,686	3.00%	2/1/2021	1/1/2026	24,587	-	6,598	17,989
Vehicle lease	33,612	3.00%	2/1/2021	1/1/2026	24,533	-	6,583	17,950
					80,106		20,750	59,356
					249,147	-	70,151	178,996

TOWN OF LIVINGSTON, TENNESSEE

Schedule of Changes in All Long-Term Notes and Bonds

For the Fiscal Year Ended June 30, 2023

Description of Debt	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding Beginning	Issued During Period	Paid, Matured and/or Forgiven During Period			Outstanding Ending
Notes payable										
Payable through General Debt Service Fund										
Capital Outlay Note - Series 2013 (Paving)	\$ 1,000,000	2.95	10/30/13	11/1/25	\$ 372,000	\$ -	\$ 89,000	\$ 283,000		
Capital Outlay Note - Series 2015 (Downtown Park)	1,100,000	2.56	6/16/15	6/1/24	267,000	-	132,000	135,000		
Capital Outlay Note - Series 2018 (Paving #2)	500,000	3.89	10/1/18	10/1/28	370,000	-	47,000	323,000		
Capital Outlay Note - Series 2020 (Paving #3)	1,000,000	2.80	9/16/20	8/1/30	912,000	-	90,000	822,000		
Payable through Water & Sewer Fund										
State of TN - Drinking Water Revolving Fund 04-055	1,426,694	1.96	6/29/04	7/31/26	344,239	-	80,499	263,740		
State of TN - Drinking Water Revolving Fund 04-059	5,570,000	1.51	9/28/05	11/1/28	1,995,415	-	295,433	1,699,982		
State of TN - Drinking Water Revolving Fund 14-144	520,000	1.64	3/26/14	8/1/35	362,606	-	24,519	338,087		
State of TN - Drinking Water Revolving Fund 14-146	450,000	1.64	2/26/15	11/26/35	318,286	-	20,457	297,829		
Water System Revenue & Tax Capital Outlay Note, Series 2019	1,800,000	3.82	4/4/19	4/1/29	1,329,000	-	169,000	1,160,000		
Total notes payable					\$ 6,270,546	\$ -	\$ 947,908	\$ 5,322,638		
General bonded debt										
Payable through General Debt Service Fund										
FHA 97-31	185,000	4.75	10/29/98	10/29/36	\$ 111,625	\$ -	\$ 5,059	\$ 106,566		
Total payable through General Debt Service Fund					\$ 111,625	-	\$ 5,059	\$ 106,566		
Payable through Water & Sewer Fund										
TML Local Government Loan Program Bond, Series 2016	3,000,000	2.5	12/28/16	12/28/41	2,218,981	319,019	99,000	2,439,000		
TML Local Government Loan Program Bond, Series 2020	1,700,000	2.99	2/26/20	2/26/25	1,536,518	-	67,000	1,469,518		
TML Local Government Loan Program Bond, Series 2021	4,558,635	2.05	11/30/21	12/1/33	4,558,635	-	363,635	4,195,000		
Total payable through Water & Sewer Fund					\$ 8,314,134	319,019	529,635	8,103,518		
Total bonded debt					\$ 8,425,759	\$ 319,019	\$ 534,694	\$ 8,210,084		

TOWN OF LIVINGSTON, TENNESSEE

Schedule of Maturities of Indebtedness and Interest Requirements

General Obligation

June 30, 2023

Fiscal Year Ending June 30,	Bond Issue		Note Issues						Principal	Interest	Total
	FmHA 97-31	Paving	Downtown Park	Capital Outlay Series 2018	Capital Outlay Series 2020						
2024	\$ 5,539	\$ 92,000	\$ 135,000	\$ 49,000	\$ 93,000	\$ 374,539	\$ 48,840	\$ 423,379			
2025	5,802	94,000	-	51,000	96,000	246,802	37,787	284,589			
2026	6,078	97,000	-	52,000	98,000	253,078	29,974	283,052			
2027	6,366	-	-	55,000	101,000	162,366	23,388	185,754			
2028	6,668	-	-	57,000	104,000	167,668	18,038	185,706			
2029	6,985	-	-	59,000	107,000	172,985	12,510	185,495			
2030	7,317	-	-	-	110,000	117,317	7,993	125,310			
2031	7,664	-	-	-	113,000	120,664	4,523	125,187			
2032	8,028	-	-	-	-	8,028	2,577	10,605			
2033	8,410	-	-	-	-	8,410	2,196	10,606			
2034	8,809	-	-	-	-	8,809	1,797	10,606			
2035	9,227	-	-	-	-	9,227	1,378	10,605			
2036	9,666	-	-	-	-	9,666	940	10,606			
2037	10,007	-	-	-	-	10,007	599	10,606			
Total	\$ 106,566	\$ 283,000	\$ 135,000	\$ 323,000	\$ 822,000	\$ 1,669,566	\$ 192,540	\$ 1,862,106			

TOWN OF LIVINGSTON, TENNESSEE

Schedule of Maturities of Indebtedness and Interest Requirements

Water & Sewer Fund

June 30, 2023

Year Ending June 30,	Bond Issues				Note Issues								Principal	Interest	Total
	Local Govt 2016	Local Govt 2020	Local Govt 2021	Refunding	Drinking Water DWF 04-055	Drinking Water DWF 04-059	Drinking Water DWF 04-144	Drinking Water DWF 04-146	Capital Outlay Series 2019						
	Loan Program	Loan Program													
2024	\$ 102,000	\$ 69,000	\$ 365,000	\$ 81,800	\$ 299,130	\$ 25,601	\$ 22,111	\$ 176,000	\$ 1,140,642	\$ 269,426	\$ 1,410,068				
2025	104,000	71,000	375,000	83,429	303,740	26,039	22,489	182,000	1,167,697	243,423	1,411,120				
2026	107,000	73,000	385,000	85,079	308,358	26,469	22,861	189,000	1,196,767	216,852	1,413,619				
2027	110,000	76,000	400,000	13,432	313,046	26,906	23,239	197,000	1,159,623	190,031	1,349,654				
2028	113,000	78,000	355,000	-	317,795	27,341	23,614	204,000	1,118,750	164,115	1,282,865				
2029	115,000	80,000	365,000	-	157,913	27,803	24,013	212,000	981,729	138,565	1,120,294				
2030	118,000	83,000	385,000	-	-	28,262	24,410	-	638,672	115,912	754,584				
2031	121,000	85,000	400,000	-	-	28,729	24,813	-	659,542	101,527	761,069				
2032	124,000	88,000	415,000	-	-	29,199	25,219	-	681,418	86,693	768,111				
2033	127,000	90,000	435,000	-	-	29,686	25,640	-	707,326	71,304	778,630				
2034	130,000	93,000	315,000	-	-	30,177	26,064	-	594,241	56,798	651,039				
2035	134,000	96,000	-	-	-	31,875	26,494	-	288,369	46,560	334,929				
2036	137,000	99,000	-	-	-	-	6,862	-	242,862	39,780	282,642				
2037	140,000	101,000	-	-	-	-	-	-	-	241,000	33,353	274,353			
2038	144,000	104,000	-	-	-	-	-	-	-	248,000	26,783	274,783			
2039	148,000	108,000	-	-	-	-	-	-	-	256,000	20,023	276,023			
2040	151,000	75,518	-	-	-	-	-	-	-	226,518	13,056	239,574			
2041	155,000	-	-	-	-	-	-	-	-	155,000	5,913	160,913			
2042	159,000	-	-	-	-	-	-	-	-	159,000	1,987	160,987			
Total	\$ 2,439,000	\$ 1,469,518	\$ 4,195,000	\$ 263,740	\$ 1,699,982	\$ 338,087	\$ 297,829	\$ 1,160,000	\$ 11,863,156	\$ 1,842,101	\$ 13,705,257				

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TOWN OF LIVINGSTON, TENNESSEE

Schedule of Expenditure Federal Awards and State Financial Assistance

For the Fiscal Year Ended June 30, 2023

Federal Grantor/Pass-Through Grantor	Program	Assistance Listing Number	Contract Number	Passed Through to Subrecipients			Expenditures			
<u>Federal Awards</u>										
Pass-through Funding:										
U.S. Department of Treasury	Coronavirus Relief Fund	21.019	N/A	\$	-	\$	643,252			
Appalachian Regional Commission	Community Facility Projects	23.002	N/A		-		49,366			
The Centers for Disease Control & Prevention										
Tennessee Department of Health	ELC Detection and Mitigation of COVID 19 in Confinement Facilities	93.323	Z-23-261432-02		-		299,240			
Federal Emergency Management Agency through Tennessee Department of Military	Public Assistance Grant	97.036	4601-DR-TN		-		795			
Total federal awards					-		<u>992,653</u>			
<u>State Financial Assistance</u>										
Tennessee Department of Transportation	Airport General Maintenance	67-0136-20		-			6,023			
"	Airport General Maintenance	67-0537-20		-			44,399			
"	Airport General Maintenance	67-0141-21		-			26,857			
"	Airport General Maintenance	67-0144-22		-			32,000			
"	Airport General Maintenance	67-0146-23		-			25,000			
"	Airport General Maintenance	67-0745-23		-			15,000			
Tennessee Department of Safety	Enforcements in Traffic Safety	Z23THS158		-			7,650			
Various	Other State Grants		N/A	-			1,057			
Total state awards					-		<u>157,986</u>			
Total federal awards and state financial assistance				\$	-	\$	<u>1,150,639</u>			

TOWN OF LIVINGSTON, TENNESSEE

Note to the Schedule of Expenditures of Federal Awards and State Financial Assistance

For the Year Ended June 30, 2023

Note 1 – Basis of Presentation

The accompanying schedules of expenditures of federal and state financial assistance is presented in accordance with accounting principles generally accepted in the United States of America, which is the same basis of accounting as the basic financial statements.

This schedule summarizes the expenditures of Town of Livingston, Tennessee under programs of the federal and state governments for the year ended June 30, 2023. Because this schedule presents only a portion of the operations of Town of Livingston, Tennessee, it is not intended and does not present the net position or changes in net position of Town of Livingston, Tennessee.

Note 2 – Indirect Cost Rate

Town of Livingston, Tennessee has not elected to use the 10-percent de minimis indirect cost rate allowed under Uniform Guidance.

Note 3 – Outstanding Loan Balance

Town of Livingston, Tennessee balances of federal loans outstanding at June 30, 2023 consisted of the following:

<u>Federal Loan</u>	<u>Ending Balance</u>
Chamber of Commerce Building	\$ 106,566
Water System Improvements	2,439,000
Sewer System Improvements	1,469,518
Refunding Bonds – Series 2021	4,195,000
	<u>\$8,210,084</u>

TOWN OF LIVINGSTON, TENNESSEE

Schedule of Operating Transfers

For the Fiscal Year Ended June 30, 2023

From Fund	To Fund	Purpose	Amount
Water & Sewer	General	In lieu of taxes	\$ 34,203
Natural Gas	General	In lieu of taxes	22,116
			\$ <u>56,319</u>

OTHER INFORMATION

TOWN OF LIVINGSTON, TENNESSEE

Schedule of Enterprise Utility Rates in Force

For the Fiscal Year Ended June 30, 2023

WATER & SEWER

	Gallons	Rate In Effect June 30, 2023
Rate for Inside City:		
	Minimum of 1,000	\$ 14.92
	Next 49,000	6.51
	Over 50,000	4.16
Rate for Outside City:		
	Minimum of 1,000	25.50
	Next 49,000	11.07
	Over 50,000	7.00
Utility District:	per each 1,000	4.15

The number of customers at year end were as follows:

Water: 5,169
Sewer: 1,735

Note that the water rates do not include sales tax or sewer rental.

Sewer rental is comprised of a flat rate of \$3.30 plus \$3.00 per 1,000 gallons.

NATURAL GAS

	Cubic Feet of Gas	Unit Cost
Residential and Commercial:		
Rate for Inside City	0-3	\$ 8.05
Rate for Outside City	0-3	10.05
Rate for Inside City	each 100	10.89
Rate for Outside City	each 100	11.39
Industrial		
0 to 375,000	each 100	11.09
Over 375,000	each 100	9.34
Over 750,000	each 100	8.09

Gas rates effective as of June 30, 2023 (rates change monthly)

Number of customers at year end: 1,606

INTERNAL CONTROL AND COMPLIANCE SECTION

INDEPENDENT ACCOUNTANTS' 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*

Mayor and Board of Aldermen
Town of Livingston, Tennessee
Livingston, Tennessee

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Town of Livingston, Tennessee, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Town of Livingston, Tennessee's basic financial statements, and have issued our report thereon dated May 14, 2025.

Report on Internal Control Over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as item 2023-002 that we considered to be a significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Town of Livingston, Tennessee's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matter that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as item 2023-001.

Town of Livingston, Tennessee's Responses to Findings

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Town of Livingston, Tennessee's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Town of Livingston, Tennessee's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Mitchell Emert & Heil". The signature is fluid and cursive, with "Mitchell" on the top line, "Emert" on the middle line, and "& Heil" on the bottom line.

May 14, 2025

TOWN OF LIVINGSTON, TENNESSEE

SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS

Year Ended June 30, 2023

Financial Statement Findings

<u>Finding Number</u>	<u>Finding Title</u>	<u>Status</u>
2022-001	Budget Overspending (original finding No. 2022-001)	Repeated
2022-002	Oversight of Police Evidence (original finding No. 2022-002)	Corrected
2022-003	Oversight of Police Drug Fund (original finding No. 2022-003)	Corrected

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

Mayor and Board of Aldermen
Town of Livingston, Tennessee
Livingston, Tennessee

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Town of Livingston, Tennessee's compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect of Town of Livingston, Tennessee's major federal programs for the year ended June 30, 2023. Town of Livingston, Tennessee's major federal program are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, Town of Livingston, Tennessee complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

Our consideration of the internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that have not been identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

A handwritten signature in black ink that reads "Mitchell Emert & Hill". The signature is fluid and cursive, with the company name written in a single, continuous line.

May 14, 2025

TOWN OF LIVINGSTON, TENNESSEE

FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2023

SUMMARY OF AUDIT RESULTS

1. The Independent Accountants' Audit Report expresses an unmodified opinion on the financial statements of Town of Livingston, Tennessee.
2. One significant deficiency in internal control over financial reporting was disclosed.
3. One instances of noncompliance material to the financial statements was disclosed.
4. No significant deficiencies in internal control over major federal programs were disclosed.
5. The Independent Accountants' Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance expresses an unmodified opinion on Town of Livingston, Tennessee's compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its major federal programs.
6. No findings or questioned costs were disclosed which would be required to be reported in accordance with the Uniform Guidance (2 CFR 200.516(a)).
7. The following programs were tested as major programs:

<u>Program Name</u>	<u>Assistance Listing Number.</u>
Coronavirus State and Local Fiscal Recovery Funds	21.207

8. The threshold for distinguishing Types A and B programs was \$750,000.
9. Town of Livingston, Tennessee was not determined to be a low-risk auditee.

FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No findings or questioned costs were disclosed which would be required to be reported in accordance with the Uniform Guidance.

TOWN OF LIVINGSTON, TENNESSEE

FINDINGS AND QUESTIONED COSTS
(continued)

Year Ended June 30, 2023

FINANCIAL STATEMENT FINDINGS

Finding Number 2023-001 – Budget Overspending (uncorrected from prior year)

Condition: The general fund did not include an adequate budget appropriation for total expenses. Total expenses exceeded appropriations by \$462,697.

Cause: Adequate budget appropriations were not made for total expenses in the general fund.

Criteria: Sound internal controls include ensuring that public funds may not be spent until a governing body has appropriated them in accordance with Tennessee Code Annotated Section 9-1-116.

Effect or potential effect: Inadequate appropriations for total expenses in each fund could result in inadequate revenue appropriations and a negative change in net assets or a potential net asset deficit.

Recommendation: Management should ensure adequate appropriations are made for total expenses in each fund. Budget amendments should be made to account for any unexpected expenses for which there are not adequate appropriations.

Management Response: We concur. Management and the Board will ensure adequate appropriations are made in the future.

TOWN OF LIVINGSTON, TENNESSEE

FINDINGS AND QUESTIONED COSTS
(continued)

Year Ended June 30, 2023

Finding Number 2023-002 – Accounts receivable

Condition: Utility customer accounts receivable subledgers were not reconciled with the general ledger.

Cause: Management has not established sufficient internal controls regarding the reconciliation of accounts receivable subledgers with the general ledger.

Criteria: Sound internal controls include the periodic reconciliation of accounts receivable subledgers with the general ledger.

Effect or potential effect: A lack of periodic reconciliations of accounts receivable subledgers with the general ledger could result in material misstatements in the reported accounts receivable balance or misappropriation of assets.

Recommendation: The amount of utility customer accounts receivable should be reconciled to the general ledger on a regular basis. Any discrepancies should be investigated and resolved in a timely manner.

Management Response: We concur and will implement controls to ensure the utility customer accounts receivable subledgers are reconciled to the general ledger.

MANAGEMENT'S CORRECTIVE ACTION PLAN



Lori Elder Burnett, *Mayor* | Cell: 931.385.0598 | mayorleb@cityoflivingston.net

MANAGEMENT'S CORRECTIVE ACTION PLAN

Town of Livingston, Tennessee submits the following corrective action plan for the year ended June 30, 2023. The findings from the June 30, 2023 schedule of findings, recommendations and management responses are discussed below.

Finding Number 2023-001 – Budget Overspending

Recommendation: Management should ensure adequate appropriations are made for total expenses in each fund. Budget amendments should be made to account for any unexpected expenses for which there are not adequate appropriations.

Management Response: We concur. Management and the Board will ensure adequate appropriations are made in the future.

Finding Number 2023-002 – Accounts receivable

Recommendation: The amount of utility customer accounts receivable should be reconciled to the general ledger on a regular basis. Any discrepancies should be investigated and resolved in a timely manner.

Management Response: We concur and will implement controls to ensure the utility customer accounts receivable subledgers are reconciled to the general ledger.

Questions concerning the information provided in this corrective action plan or requests for additional information should be addressed to Town of Livingston, Tennessee.

Lori Elder-Burnett, Mayor
Town of Livingston, Tennessee
301 McHenry Circle
Livingston, TN 38570
Telephone 931-823-1269
mayorleb@cityoflivingston.net

Signature: Lori Elder Burnett

Title: Mayor