

**TOWN OF LIVINGSTON, TENNESSEE**

**Audited Financial Statements**

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**For the Fiscal Year Ended June 30, 2024**

# TOWN OF LIVINGSTON, TENNESSEE

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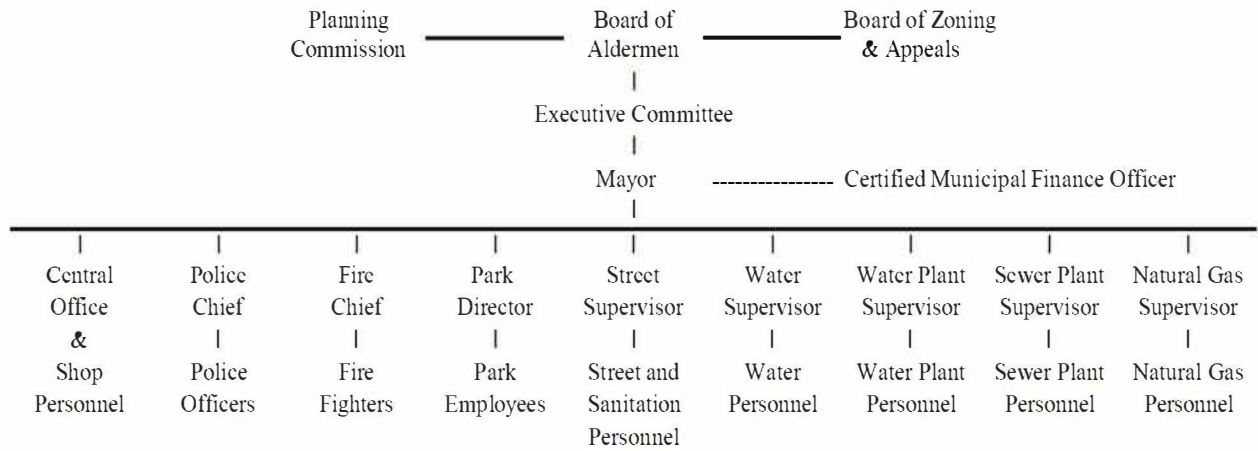
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## INTRODUCTORY SECTION

**TOWN OF LIVINGSTON, TENNESSEE**

**Organizational Chart  
June 30, 2024**



Executive Committee is comprised of the Mayor and Vice Mayor

**TOWN OF LIVINGSTON, TENNESSEE  
LIST OF PRINCIPAL OFFICIALS**

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**FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Lori Elder Burnett, Mayor – (September 1, 2024 – present)  
Joel Parks, CMFO (July 1, 2023 – present)  
Kelly Williams, City Judge (July 1, 2023 – present)

Prior to September 1, 2024  
Curtis Hayes, Jr., Mayor (July 1, 2023 – August 31, 2024)

Aldermen

Rex Dale, Vice Mayor (July 1, 2023 – present)  
Bruce Elder (September 1, 2023 – present)  
David Langford (July 1, 2023 – present)  
Bill Linder (July 1, 2023 – present)  
Arno Proctor (September 1, 2024 – present)  
Lance Ruble (September 1, 2024 – present)

Prior to September 1, 2024  
Ken Dodson, Vice Mayor (July 1, 2023 – August 31, 2024)  
John Clough (July 1, 2023 – 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, 2024, 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, 2024, 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, schedule of changes in Town of Livingston's total OPEB liability and related ratios, schedule of changes in net pension liability(asset) and related ratios based on participation in the public employee pension plan of the TCRS, schedule of contributions based on participation in the public employee pension plan of the 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 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 also is not a required part of the basic financial statements.

The combining and individual nonmajor fund statements and schedules, schedule of capital assets used in the operation of governmental funds, schedule of changes in property tax receivable, schedule of uncollected taxes filed with Clerk and Master – last ten years, schedule of changes in all long-term notes and bonds, schedules of maturities of indebtedness and interest requirements, schedule of expenditures of federal awards and state financial assistance, note to schedule of expenditures of federal awards and state financial assistance 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 utility rates in force, organizational chart, and list of principal officials but does not include the financial statements and our auditors' report thereon. Our opinion on the 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 financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the 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 August 20, 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 & Hill". The script is cursive and fluid, with the ampersand clearly visible between the two names.

August 20, 2025

## MANAGEMENT'S DISCUSSION & ANALYSIS

For the Fiscal Year ending June 30, 2024

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, 2024.

### **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, 2024 and 2023 and the amount and percentage of increases and decreases in relation to the year ended June 30, 2023.

### **Governmental Activities**

<u>Statement of Net Position</u>	<u>FY 24</u>	<u>FY 23</u>	<u>Percentage Inc / (Dec)</u>
Total assets	\$17,129,028	\$18,144,074	(5.6)
Deferred outflows of resources	1,132,349	1,093,138	3.6
Total liabilities	2,165,302	2,239,499	(3.3)
Total deferred inflows of resources	2,053,960	2,575,383	(20.2)
Net invested in capital assets	8,399,085	8,532,294	(1.6)
Restricted net position	463,281	583,256	(20.6)
Unrestricted net position	5,179,749	5,306,780	(2.4)

### **Statement of Activities**

#### **Revenues**

Charges for services	\$ 206,732	\$ 118,247	74.8
Operating grants and contributions	1,803,039	1,518,671	18.7
Capital grants and contributions	-	300,035	(100.0)
General revenues:			
Taxes	3,854,274	3,619,487	6.5
Intergovernmental	723,832	709,758	2.0
Other revenues	<u>389,119</u>	<u>371,591</u>	4.7
	<u>6,976,996</u>	<u>6,637,789</u>	5.1

#### **Expenses**

General government	1,461,758	1,214,690	20.3
Public safety	3,034,115	2,027,927	49.6
Streets	1,341,377	1,156,301	16.0
Recreation	483,537	393,903	22.8
Airport	446,118	530,469	(15.9)
Sanitation	136,797	129,041	6.0
Community assistance	463,008	-	New

**Governmental Activities (Cont.)**

	<u>FY 24</u>	<u>FY 23</u>	<u>Percentage Inc / (Dec)</u>
Interest on long-term debt	\$ <u>46,501</u>	\$ <u>57,549</u>	(19.2)
	<u>7,413,211</u>	<u>5,509,880</u>	34.5
Increase/decrease in net position before transfers	(436,215)	1,127,909	(138.7)
Transfers	<u>56,000</u>	<u>56,319</u>	(0.6)
Increase/(decrease) in net position	(380,215)	1,184,228	(132.1)
Net position, beginning	<u>14,422,330</u>	<u>13,238,102</u>	8.9
Net position, ending	<u>\$14,042,115</u>	<u>\$14,422,330</u>	(2.6)

Significant increases compared to the prior year include Operating Grants and Contributions revenue and expenditures of General Government, Public Safety, and Community Assistance. These increases were primarily due to continued receipt and expenditure of grant revenues combined with the conversion of prior year deferred grant funds. Notable significant decreases are limited to Deferred Inflows of Resources and Capital grants and contributions.

Capital Expenditures

Significant capital expenditures placed in service during FY24 include acquisition of land adjoining the airport for \$211,599; purchase of a garbage truck for \$200,727; and purchase of police vehicles for \$166,790 .

**Business-Type Activities**

	<u>FY 24</u>	<u>FY 23</u>	<u>Percentage Inc / (Dec)</u>
<u>Statement of Net Position</u>			
Capital assets net of accumulated depr	\$27,316,340	\$27,916,938	(2.2)
Other assets	<u>3,531,216</u>	<u>2,439,970</u>	44.7
Total assets	<u>\$30,847,556</u>	<u>\$30,356,908</u>	1.6
Deferred outflows of resources	<u>819,978</u>	<u>614,890</u>	33.4
Long-term liabilities	\$9,598,840	\$10,722,514	(10.5)
Other liabilities	<u>1,857,740</u>	<u>1,863,998</u>	(0.3)
Total liabilities	<u>11,456,580</u>	<u>12,586,512</u>	(9.0)
Total deferred inflows of resources	<u>616,679</u>	<u>97,971</u>	529.5
Net invested in capital assets	16,766,890	16,141,015	3.9
Restricted net position	-	-	(0.0)
Unrestricted net position	<u>2,827,385</u>	<u>2,146,300</u>	31.7
Total net position	<u>\$19,594,275</u>	<u>\$18,287,315</u>	7.1
<u>Statement of Activities</u>			
Revenues			
Charges for services	\$8,047,524	\$7,511,382	7.1
Capital grants and contributions	233,634	179,254	30.3
Other	<u>4,269</u>	<u>4,450</u>	(4.1)
	<u>8,285,427</u>	<u>7,695,086</u>	7.7

## **Business-Type Activities (Cont.)**

### Statement of Activities (Cont.)

		<u>FY 23</u>	<u>Percentage Inc / (Dec)</u>
Expenses			
Water & sewer	\$4,875,082	\$4,552,509	7.1
Natural gas	<u>2,405,844</u>	<u>2,383,114</u>	1.0
	<u>7,280,926</u>	<u>6,935,623</u>	5.0
 Increase in net position before transfers	 1,004,501	 759,463	 32.4
Transfers	<u>(56,000)</u>	<u>(56,319)</u>	(0.6)
 Increase in net position	 948,501	 703,144	 35.0
Net position, beginning	18,287,315	17,584,171	4.0
Restatement	<u>358,459</u>	<u>-</u>	(0.0)
Net position, ending	<u>\$19,594,275</u>	<u>\$18,287,315</u>	7.2

Significant increases compared to the prior year include Other Assets, due to the reduction of balances due to other funds and Deferred Inflows of Resources due to receipt of grant proceeds prior to expending the funds. Significant decreases compared to the prior year are Deferred Outflows of Resources due to retirement and OPEB annual adjustments and Long-term Liabilities Due in More Than One Year.

### Capital Expenditures

Significant capital expenditures placed in service during FY24 include water and sewer improvements amounting to \$105,724 and \$117,036 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	\$3,668,100	\$3,789,000	\$ 120,900
Intergovernmental	658,000	1,283,600	625,600
Licenses and permits	40,500	80,500	40,000
Charges for current services	77,500	56,600	(20,900)
Fines and forfeits	50,300	87,300	37,000
Other local revenues	<u>244,100</u>	<u>252,700</u>	<u>8,600</u>
	<u>4,738,500</u>	<u>5,549,700</u>	<u>811,200</u>

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Increase (Decrease)</u>
Expenditures			
General government	\$1,217,157	\$1,593,357	\$ 376,200
Public safety	1,860,500	2,640,800	780,300
Public service	1,580,246	1,857,811	277,565
Capital outlay	<u>40,000</u>	<u>522,835</u>	<u>482,835</u>
	<u>4,697,903</u>	<u>6,614,803</u>	<u>1,916,900</u>
 Excess (deficiency) of revenues over expenditures	 40,597	 (1,065,103)	 (1,105,700)
Other financing sources (uses)	<u>(8,000)</u>	<u>58,000</u>	<u>66,000</u>
 Net change in fund balances	 32,597	 (1,007,103)	 (1,039,700)
Fund balance, beginning	5,161,925	4,034,435	(1,127,490)
Changes in reserves for inventory	<u>1,000</u>	<u>-</u>	<u>(1,000)</u>
Fund balance, ending	<u>\$5,195,522</u>	<u>\$3,027,332</u>	<u>\$(2,168,190)</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 2023.

### **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, 2024, totaled \$30,289,415. The Board of Aldermen imposes restrictions on net position related to debt service.

### **Debt Administration**

As of June 30, 2024, the Town had outstanding bonds and notes in its proprietary funds totaling \$10,835,218. This debt consists of Water & Sewer bonds of \$7,567,518, capital outlay notes payable of \$3,155,358 and other debt (vehicle lease obligations) of \$112,342. See Note 5 on pages 38-41 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, 2024**

	Governmental Activities	Business Activities	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 2,996,755	\$ 3,684,469	\$ 6,681,224
Investments	189,760	-	189,760
Receivables, net of allowance for uncollectibles			
Taxes	1,958,482	-	1,958,482
Utility customers	6,930	187,963	194,893
Due from other governments - current	503,738	73,082	576,820
Other	81,407	447	81,854
Internal balances	1,054,828	(1,054,828)	-
Inventories, at cost	113,767	354,315	468,082
Prepaid expenses	30,056	-	30,056
Non-depreciable capital assets	1,210,233	285,768	1,496,001
Capital assets (net of accumulated depreciation)	8,983,072	27,316,340	36,299,412
Total Assets	<u>\$ 17,129,028</u>	<u>\$ 30,847,556</u>	<u>\$ 47,976,584</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension changes in experience			
Deferred outflows related to pension	\$ 1,110,536	\$ 804,182	\$ 1,914,718
Deferred outflows related to OPEB	21,813	15,796	37,609
Total Deferred Outflows of Resources	<u>1,132,349</u>	<u>819,978</u>	<u>1,952,327</u>
<b>LIABILITIES</b>			
Accounts payable	294,732	104,667	399,399
Retainage payable	-	11,207	11,207
Accrued liabilities	134,523	106,861	241,384
Accrued interest	13,366	47,452	60,818
Customer deposits	-	89,445	89,445
Net pension liability	278,049	201,345	479,394
Net OPEB liability	83,388	60,385	143,773
Long-term liabilities due within one year	290,007	1,236,378	1,526,385
Long-term liabilities due in more than one year	1,071,237	9,598,840	10,670,077
Total Liabilities	<u>2,165,302</u>	<u>11,456,580</u>	<u>13,621,882</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred current property taxes	1,923,407	-	1,923,407
Deferred inflows related to pension	126,001	91,242	217,243
Deferred inflows related to OPEB	4,552	3,296	7,848
Deferred inflows related to federal grant funds	-	522,141	522,141
Total Deferred Inflows of Resources	<u>2,053,960</u>	<u>616,679</u>	<u>2,670,639</u>
<b>NET POSITION</b>			
Net investment in capital assets	8,399,085	16,766,890	25,165,975
Restricted			
DUI Program	11,973	-	11,973
Reality Program	630	-	630
Sex Offender Registry	300	-	300
Street improvements	6,948	-	6,948
Home rehabilitation	4,963	-	4,963
Police drug investigations	10,764	-	10,764
General debt service	427,703	-	427,703
Unrestricted	5,179,749	2,827,385	8,007,134
Total Net Position	<u>\$ 14,042,115</u>	<u>\$ 19,594,275</u>	<u>\$ 33,636,390</u>

See Accompanying Notes to Financial Statements

**TOWN OF LIVINGSTON, TENNESSEE**

**Statement of Activities  
For the Year Ended June 30, 2024**

Functions / Programs:	Program Revenues				Net (Expenses) Revenue and Changes in Net Position		
	Expenses	Fees, Forfeits & Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total
					Governmental Activities	Business-type Activities	
<b>Primary Government:</b>							
<b>Governmental Activities:</b>							
General government	\$ 1,461,758	\$ -	\$ -	\$ -	\$ (1,461,758)	\$ -	\$ (1,461,758)
Public safety	3,034,115	127,971	320,778	-	(2,585,366)	-	(2,585,366)
Streets	1,341,377	-	142,055	-	(1,199,322)	-	(1,199,322)
Recreation	483,537	22,470	-	-	(461,067)	-	(461,067)
Airport	446,118	-	199,470	-	(246,648)	-	(246,648)
Sanitation	136,797	55,520	-	-	(81,277)	-	(81,277)
Community assistance	463,008	771	1,140,736	-	678,499	-	678,499
Interest expense on long-term debt	46,501	-	-	-	(46,501)	-	(46,501)
Total Government Activities	7,413,211	206,732	1,803,039	-	(5,403,440)	-	(5,403,440)
<b>Business-type Activities:</b>							
Water and Sewer	4,875,082	5,471,938	-	233,635	-	830,490	830,490
Natural Gas	2,405,844	2,575,586	-	-	-	169,742	169,742
Total Business-type Activities	7,280,926	8,047,524	-	233,635	-	1,000,232	1,000,232
Total Primary Government	\$ 14,694,137	\$ 8,254,256	\$ 1,803,039	\$ 233,635	(5,403,440)	1,000,232	(4,403,208)
<b>General Revenues:</b>							
Taxes							
Property tax					1,870,968	-	1,870,968
Interest and penalty on taxes					14,378	-	14,378
Local sales tax					1,403,852	-	1,403,852
Local beer tax					255,824	-	255,824
Package liquor store tax					134,001	-	134,001
Business tax					149,168	-	149,168
Cable TV franchise tax					26,083	-	26,083
Intergovernmental							
State sales tax					479,587	-	479,587
Payments in lieu of tax					47,856	-	47,856
Police subsidy					10,400	-	10,400
Fire education incentive					8,400	-	8,400
Liquor & mixed drink tax					19,725	-	19,725
Local hotel/motel tax					17,480	-	17,480
Excise tax					109,239	-	109,239
Other					31,145	-	31,145
Other revenues					389,119	4,269	393,388
Total general revenues					4,967,225	4,269	4,971,494
Transfers					56,000	(56,000)	-
Total general revenues and transfers					5,023,225	(51,731)	4,971,494
Change in net position					(380,215)	948,501	568,286
Net Position - beginning of year - as originally reported					14,422,330	18,287,315	32,709,645
Restatement - see Note 12					-	358,459	358,459
Net Position - beginning of year - as restated					14,422,330	18,645,774	33,068,104
Net Position - end of year	\$				14,042,115	\$ 19,594,275	\$ 33,636,390

**TOWN OF LIVINGSTON, TENNESSEE**

**Balance Sheet  
Governmental Funds  
June 30, 2024**

	<u>Major Fund</u>	<u>Nonmajor Funds</u>	
	<u>General</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 1,924,495	\$ 1,072,260	\$ 2,996,755
Investments	-	189,760	189,760
Receivables (net of allowances for uncollectibles)			
Taxes	1,958,482	-	1,958,482
Utility customers	6,930	-	6,930
Due from other governments	290,325	213,413	503,738
Other	81,407	-	81,407
Due from other funds	1,469,377	-	1,469,377
Inventories	52,038	61,729	113,767
Prepaid expenses	30,056	-	30,056
Total assets	<u>\$ 5,813,110</u>	<u>\$ 1,537,162</u>	<u>\$ 7,350,272</u>
<b>LIABILITIES</b>			
Accounts payable	\$ 187,807	\$ 106,925	\$ 294,732
Accrued liabilities	130,842	3,681	134,523
Due to other funds	-	414,549	414,549
Total liabilities	<u>318,649</u>	<u>525,155</u>	<u>843,804</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows - property taxes	1,933,263	-	1,933,263
Total deferred inflows of resources	<u>1,933,263</u>	<u>-</u>	<u>1,933,263</u>
<b>FUND BALANCES</b>			
Nonspendable	82,094	61,729	143,823
Restricted			
DUI Program	11,973	-	11,973
Reality Program	630	-	630
Sex Offender Registry	300	-	300
Street improvements	-	6,948	6,948
Home rehabilitation	-	4,963	4,963
Police drug investigations	-	10,764	10,764
General debt service	-	427,703	427,703
Unassigned	3,466,201	499,900	3,966,101
Total fund balances	<u>3,561,198</u>	<u>1,012,007</u>	<u>4,573,205</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 5,813,110</u>	<u>\$ 1,537,162</u>	<u>\$ 7,350,272</u>

**TOWN OF LIVINGSTON, TENNESSEE**

**Reconciliation of the Balance Sheet to Statement of Net Position  
of Governmental Activities  
June 30, 2024**

Amounts reported for fund balance - total governmental funds	\$ 4,573,205
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	1,210,233
Add: property and equipment	19,778,632
Add: other vehicles	223,976
Less: accumulated depreciation	(10,861,783)
Less: accumulated amortization	(157,753)
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.	(13,366)
Prior period taxes not received within 60 days is not reported as revenue and considered deferred	9,856
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: notes payable	(1,194,000)
Less: bonds payable	(101,021)
Less: other debt	(66,223)
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	1,110,536
Add: deferred outflows of resources related to OPEB	21,813
Less: deferred inflows of resources related to pensions	(126,001)
Less: deferred inflows of resources related to OPEB	(4,552)
Net pension liability of the cost-sharing plan are not current financial resources and are therefore not reported in the governmental funds	(276,309)
Net OPEB liability of the cost-sharing plan are not current financial resources and are therefore not reported in the governmental funds	(85,128)
Net position of governmental activities	\$ <u><u>14,042,115</u></u>

**TOWN OF LIVINGSTON, TENNESSEE**

**Statement of Revenues, Expenditures and Changes in  
Fund Balances - Governmental Funds  
For the Fiscal Year Ended June 30, 2024**

	<u>Major Fund</u>	<u>Nonmajor Funds</u>	
	<u>General</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues			
Taxes	\$ 3,917,119	\$ -	\$ 3,917,119
Intergovernmental	1,363,903	1,079,163	2,443,066
Licenses and permits	82,365	-	82,365
Charges for current services	91,665	-	91,665
Fines and fees	113,807	2,700	116,507
Other revenues	388,850	269	389,119
Total revenue	<u>5,957,709</u>	<u>1,082,132</u>	<u>7,039,841</u>
Expenditures			
Current			
General government	1,484,444	-	1,484,444
Public safety			
Police	1,845,107	10,152	1,855,259
Fire	897,332	-	897,332
Streets	803,589	141,831	945,420
Recreation	415,931	-	415,931
Airport	132,922	-	132,922
Sanitation	129,659	-	129,659
Community assistance	-	463,008	463,008
Capital outlay	687,163	115,788	802,951
Debt service	-	423,380	423,380
Total expenditures	<u>6,396,147</u>	<u>1,154,159</u>	<u>7,550,306</u>
Excess (deficiency) of revenues over expenditures	<u>(438,438)</u>	<u>(72,027)</u>	<u>(510,465)</u>
Other financing sources and (uses)			
Transfers in	56,000	-	56,000
Total other financing sources and (uses)	<u>56,000</u>	<u>-</u>	<u>56,000</u>
Net change in fund balances	(382,438)	(72,027)	(454,465)
Fund balances, beginning	3,943,636	1,084,034	5,027,670
Fund balances, ending	<u>\$ 3,561,198</u>	<u>\$ 1,012,007</u>	<u>\$ 4,573,205</u>

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, 2024**

Net change in fund balances - total governmental funds	\$ (454,465)
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	(62,845)
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	802,951
Depreciation expense	(877,729)
Amortization expense	(43,666)
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	369,000
Repayment of bonds payable	5,545
Payment of other debt	43,666
Employee compensatory time is accrued in governmental activities whereas in governmental funds compensatory time is reported when extinguished.	58,431
Interest is accrued on outstanding obligations in governmental activities whereas in governmental funds interest is reported when due.	
Notes payable	(9,967)
Bonds payable	(3,399)
Reversal of prior year accrued interest payable	15,700
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.	
Change in net pension liability	(157,310)
Change in net OPEB liability	(83,388)
Deferred outflows of resources that is a consumption of net position that is applicable to a future reporting period	
OPEB	21,813
Deferred inflows of resources that is an acquisition of net position that is applicable to a future reporting period	
OPEB	(4,552)
Change in net position of governmental activities	\$ <u><u>(380,215)</u></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, 2024**

	Budgeted Amounts		Actual	Variance -
	Original	Final	Amounts	Favorable/ (Unfavorable)
<b>Revenues</b>				
<b>Taxes</b>				
Property tax (other than interest)	\$ 1,762,600	\$ 1,882,400	\$ 1,933,813	\$ 51,413
Interest and penalty on taxes	7,500	12,500	14,378	1,878
Local sales tax	1,380,000	1,369,000	1,403,852	34,852
Local beer tax	230,000	236,000	255,824	19,824
Package liquor store tax	115,000	127,000	134,001	7,001
Business tax	143,000	141,100	149,168	8,068
Cable TV franchise tax	30,000	21,000	26,083	5,083
Total taxes	3,668,100	3,789,000	3,917,119	128,119
<b>Intergovernmental</b>				
TN Grants	415,000	435,000	510,292	75,292
State TVA tax	42,000	45,000	47,856	2,856
Police subsidy	13,600	10,200	10,400	200
Fire education incentive	8,000	34,000	8,400	(25,600)
Courthouse square	-	566,000	566,011	11
Income tax	10,000	-	-	-
Beer tax	2,000	1,000	1,716	716
Liquor & mixed drink tax	20,000	20,000	19,725	(275)
Hotel/motel tax	20,000	12,000	17,480	5,480
City streets	8,400	8,400	5,487	(2,913)
State excise tax	80,000	109,000	109,239	239
Telecommunications sales tax	17,000	17,000	14,906	(2,094)
TN sports gaming	16,000	5,000	9,211	4,211
State of TN - other	6,000	21,000	43,180	22,180
Total	658,000	1,283,600	1,363,903	80,303
<b>Licenses and permits</b>				
Beer license	14,000	5,500	5,950	450
Liquor - annual permit	2,000	2,000	-	(2,000)
Building permits and zoning	20,000	70,000	72,915	2,915
Hotel/motel permit	1,500	1,500	1,500	-
Fireworks permits	3,000	1,500	2,000	500
Total	40,500	80,500	82,365	1,865
<b>Charges for current services</b>				
Fire protection	9,000	11,400	11,464	64
Solid waste collection charges	30,000	27,600	55,520	27,920
City pool income	15,000	7,900	21,344	13,444
City pool concessions	23,000	7,800	1,126	(6,674)
Vending commission	-	1,400	1,440	40
Farmers Market	500	500	771	271
Total	77,500	56,600	91,665	35,065
<b>Fines and forfeits</b>				
Police fines and fees	50,000	86,000	109,878	23,878
Sex offender registry	300	300	-	(300)
Police seized property	-	1,000	3,929	2,929
Total	50,300	87,300	113,807	26,507

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, 2024**

	Budgeted Amounts		Actual	Variance -
	Original	Final	Amounts	Favorable/ (Unfavorable)
Revenues (Cont.)				
Interest income	\$ 100	\$ 100	\$ 367	\$ 267
Sale of assets	15,000	76,000	93,571	17,571
T hangar rental	48,000	43,300	47,125	3,825
Aviation fuel sold	130,000	62,000	71,400	9,400
Airport miscellaneous	1,000	100	158	58
Miscellaneous income	25,000	39,000	35,287	(3,713)
Insurance recovery	-	-	105,814	105,814
Contributions	25,000	25,000	27,250	2,250
Live in Livingston Sponsorships	-	7,200	7,270	70
Service Charges	-	-	608	608
Total	244,100	252,700	388,850	136,150
Total revenues	4,738,500	5,549,700	5,957,709	408,009
Expenditures				
Current:				
General government				
City hall				
Salaries & wages	166,500	191,500	202,931	(11,431)
Hourly wages	-	5,000	-	5,000
Overtime Wages	-	-	251	(251)
Office supplies	12,000	12,000	14,931	(2,931)
Office postage	3,500	2,000	1,025	975
Memberships & registration fees	1,000	1,000	-	1,000
Office electricity	10,000	15,000	14,109	891
Office telephone	15,000	18,000	17,563	437
Office utilities	4,000	8,300	7,832	468
Office miscellaneous	3,000	-	-	-
Total	215,000	252,800	258,642	(5,842)
Dues & donations				
Chamber of Commerce dues	21,000	30,500	28,947	1,553
TN Municipal League dues	3,200	3,200	1,354	1,846
Upper Cumberland dues	8,900	8,900	7,383	1,517
Local planning services	-	2,500	2,188	312
Hidden Valley dues	500	500	500	-
Schooling	-	-	859	(859)
Donation to senior citizens	6,000	6,000	6,000	-
Donation to Pacesetters	2,500	2,500	2,000	500
Donation to county library	5,000	5,000	5,000	-
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)
Music Festival	1,000	1,000	-	1,000
Donation to Fall-O-Ween	-	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	82,412	68,051	14,361

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, 2024**

	Budgeted Amounts		Actual	Variance -
	Original	Final	Amounts	Favorable/ (Unfavorable)
Expenditures (Cont.)				
Current (Cont.):				
General government (Cont.)				
Other general government				
Payroll tax	\$ 166,500	\$ 17,500	\$ 16,878	\$ 622
Hospital & health insurance	176,645	21,645	22,865	(1,220)
Employee retirement plan	82,400	14,400	11,248	3,152
Unemployment Insurance	-	300	107	193
Election expense	12,000	2,000	15,737	(13,737)
Legal fees	18,000	25,500	25,294	206
Audit and accounting	6,000	6,000	7,400	(1,400)
Architects and engineers	1,000	7,000	12,844	(5,844)
Consultant's services	-	8,500	8,355	145
Insurance consultant	14,400	21,400	23,040	(1,640)
Vehicle repair	1,000	2,000	458	1,542
Equipment repair	5,000	3,000	297	2,703
Mayor's travel, schooling	12,000	13,000	14,274	(1,274)
Travel	5,000	1,800	1,132	668
Other office supplies & materials	500	800	157	643
Uniform & linen shop and office	2,000	2,300	389	1,911
General maintenance	30,000	33,000	29,501	3,499
Gasoline and oil	20,000	27,000	22,108	4,892
Farmers market	1,500	13,000	11,436	1,564
Reappraisal cost to Overton Co.	26,000	22,800	22,775	25
Miscellaneous	28,000	53,000	27,430	25,570
Insurance & bonding	150,000	176,000	162,909	13,091
Vehicles	26,000	76,000	1,351	74,649
Equipment	5,000	5,000	4,473	527
Computer equip. & repair	6,000	42,000	31,633	10,367
Downtown revitalization	75,000	633,000	660,151	(27,151)
City garage telephone	1,800	1,800	1,850	(50)
City garage utilities	4,000	7,000	6,452	548
City garage vehicle repair	500	1,400	1,353	47
City garage equipment repair	2,000	1,000	-	1,000
City garage materials & supplies	7,500	3,500	2,636	864
City garage uniforms & linens	2,000	4,500	2,281	2,219
City garage miscellaneous	2,500	1,500	1,287	213
City garage vehicles	27,500	9,500	7,650	1,850
City garage equipment	15,000	-	-	-
Total	932,745	1,258,145	1,157,751	100,394
Total general government	1,217,157	1,593,357	1,484,444	108,913

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, 2024**

	Budgeted Amounts		Actual	Variance -
	Original	Final	Amounts	Favorable/ (Unfavorable)
Expenditures (Cont.)				
Current (Cont.):				
Public safety				
Police department				
Hourly wages	\$ 907,000	\$ 1,076,000	\$ 1,095,413	\$ (19,413)
Overtime Wages	-	-	24,585	(24,585)
State subsidy	12,000	12,000	10,400	1,600
Oasi (employer's share)	-	90,000	88,109	1,891
Hospital & health insurance	-	95,000	119,358	(24,358)
Employee retirement plan	-	75,000	75,717	(717)
Unemployment Insurance	-	1,000	838	162
Memberships & registration fees	8,000	13,200	14,442	(1,242)
Electricity	15,000	17,200	17,003	197
Telephone	22,000	30,000	30,452	(452)
Utilities	4,000	4,500	4,429	71
Repair & maintenance motor vehicles	20,000	35,000	30,898	4,102
Repair & maintenance other equipment	10,000	14,000	12,873	1,127
Travel	10,000	18,000	16,414	1,586
Materials & supplies	50,000	75,000	82,707	(7,707)
Uniforms & linens	15,000	29,000	32,980	(3,980)
Gasoline & oil	38,000	46,000	36,705	9,295
Miscellaneous	25,000	61,000	61,171	(171)
Vehicles	25,000	-	-	-
Equipment	20,000	-	-	-
Computer equip & software	11,000	100,000	90,613	9,387
Total	1,192,000	1,791,900	1,845,107	(53,207)
Fire department				
Hourly wages	428,000	463,400	444,658	18,742
Overtime Wages	-	-	7,046	(7,046)
Bonus	-	-	8,400	(8,400)
Oasi (employer's share)	-	35,000	33,675	1,325
Hospital & health insurance	-	63,000	70,984	(7,984)
Employee retirement plan	-	30,000	29,316	684
Unemployment Insurance	-	500	309	191
Fire calls	15,000	6,000	5,220	780
Memberships & registration fees	20,000	5,000	4,088	912
Electricity	5,500	500	-	500
Telephone	2,000	2,000	1,668	332
Utilities	2,000	-	-	-
Repair & maintenance motor vehicles	10,000	2,500	1,067	1,433
Repair & maintenance other equipment	17,000	79,000	76,452	2,548
Travel	500	2,500	1,060	1,440
Traffic lights repair	35,000	47,000	42,617	4,383
Materials and supplies	40,000	31,500	56,146	(24,646)
Uniforms & linens	10,000	21,500	73,851	(52,351)
Gasoline & oil	8,000	8,000	5,751	2,249
Miscellaneous	6,000	20,000	15,907	4,093
Insurance & bonding	5,000	5,000	-	5,000
Equipment	25,000	5,000	218	4,782
Vehicles	27,500	9,500	8,845	655
Computer equip & software	12,000	12,000	10,054	1,946
Total	668,500	848,900	897,332	(48,432)
Total public safety	1,860,500	2,640,800	2,742,439	(101,639)

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, 2024**

	Budgeted Amounts		Actual	Variance -
	Original	Final	Amounts	Favorable/ (Unfavorable)
Expenditures (Cont.)				
Current (Cont.):				
Public service				
Municipal park				
Hourly wages	\$ 145,600	\$ 154,100	\$ 144,152	\$ 9,948
Oasi (employer's share)	-	13,000	10,192	2,808
Hospital & health insurance	-	8,500	9,735	(1,235)
Employee retirement plan	-	5,400	3,173	2,227
Unemployment Insurance	-	500	274	226
Electricity	35,000	35,000	34,811	189
Telephone	2,700	2,700	1,840	860
Utilities	25,000	42,500	41,898	602
Repair and Maintenance of Vehicle	-	10,000	8,330	1,670
Materials & supplies	40,000	49,000	39,744	9,256
Concession supplies	5,000	10,000	9,036	964
Maintenance	60,000	74,365	63,437	10,928
Miscellaneous	5,000	34,300	29,523	4,777
Vehicles	10,000	-	19,786	(19,786)
Equipment	20,400	20,400	-	20,400
Total	348,700	459,765	415,931	43,834
Airport				
Memberships & registration fees	2,000	-	-	-
Electricity	10,000	7,000	6,327	673
Telephone	4,000	4,000	4,099	(99)
Utilities	1,500	1,000	418	582
Travel	4,000	4,000	3,398	602
Maintenance	22,000	33,000	29,191	3,809
Gas and oil	2,000	2,000	2,214	(214)
Aviation fuel	110,000	100,000	70,228	29,772
Regulatory Fees	500	10,500	9,907	593
Miscellaneous	46,000	-	-	-
Vehicles	5,346	346	7,140	(6,794)
Equipment	-	8,000	-	8,000
Total	207,346	169,846	132,922	36,924
City streets				
Hourly wages	385,500	360,500	360,360	140
Overtime Wages	-	-	858	(858)
Oasi (employer's share)	-	30,000	29,241	759
Hospital & health insurance	-	32,000	37,574	(5,574)
Employee retirement plan	-	24,000	22,408	1,592
Unemployment Insurance	-	500	208	292
Schooling	500	500	5	495
Street lights electricity	140,000	144,000	143,835	165
Traffic lights electricity	7,500	7,500	5,071	2,429
Repair & maintenance motor vehicles	5,000	6,000	5,457	543
Repair & maintenance other equipment	10,000	34,500	30,595	3,905
Paving	-	80,000	31,788	48,212
Materials & supplies	50,000	92,000	90,650	1,350
Uniforms & linens	8,000	11,000	7,400	3,600
Gas & oil	15,500	30,500	22,118	8,382
Miscellaneous	6,000	8,000	5,122	2,878
Vehicles	245,000	210,000	10,899	199,101
Equipment	12,300	12,300	-	12,300
Total	885,300	1,083,300	803,589	279,711

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, 2024**

	Budgeted Amounts		Actual	Variance -
	Original	Final	Amounts	Favorable/ (Unfavorable)
Expenditures (Cont.)				
Current (Cont.):				
Public service				
Sanitation				
Hourly wages	\$ 103,000	\$ 92,000	\$ 89,532	\$ 2,468
Overtime Wages	-	-	757	(757)
Oasi (employer's share)	-	9,000	6,776	2,224
Hospital & health insurance	-	11,000	11,546	(546)
Employee retirement plan	-	3,000	2,354	646
Unemployment Insurance	-	500	118	382
Vehicle repair	2,000	2,000	194	1,806
Equipment repair	25,000	16,000	12,238	3,762
Materials & supplies	1,000	6,500	3,463	3,037
Uniforms & linens	1,200	1,200	62	1,138
Gas & oil	6,200	3,200	2,287	913
Miscellaneous	500	500	332	168
Total	138,900	144,900	129,659	15,241
Total public service	1,580,246	1,857,811	1,482,101	375,710
Capital Outlay				
General government	-	15,000	15,880	(880)
Public safety				
Police department	-	57,000	90,002	(33,002)
Public service				
Municipal park	-	54,335	54,335	-
Airport	40,000	389,000	318,719	70,281
City streets	-	7,500	7,500	-
Sanitation	-	-	200,727	(200,727)
Total capital outlay	40,000	522,835	687,163	(164,328)
Total expenditures	4,697,903	6,614,803	6,396,147	218,656
Excess (deficiency) of revenues over expenditures	40,597	(1,065,103)	(438,438)	626,665
Other financing sources (uses)				
Operating transfers in	42,000	58,000	56,000	(2,000)
Operating transfers out	(50,000)	-	-	-
Total other financing sources (uses)	(8,000)	58,000	56,000	(2,000)
Net change in fund balances	32,597	(1,007,103)	(382,438)	624,665
Fund balances, beginning	5,161,925	4,034,435	3,943,636	(90,799)
Changes in reserves for inventory accounts	1,000	-	-	-
Fund balances, ending	\$ 5,195,522	\$ 3,027,332	\$ 3,561,198	\$ 533,866

See Accompanying Notes to Financial Statements

**TOWN OF LIVINGSTON, TENNESSEE**

**Statement of Net Position  
Proprietary Funds  
June 30, 2024**

	<u>Business-type Activities - Enterprise Funds</u>		
	Water & Sewer Fund	Natural Gas Fund	Total
<b>ASSETS</b>			
Current			
Cash and cash equivalents	\$ 3,370,747	\$ 313,722	\$ 3,684,469
Receivables			
Utility customers, net of allowance for estimated uncollectibles	97,526	90,437	187,963
Due from other funds	256,016	1,640,016	1,896,032
Due from other governments	73,082	-	73,082
Other	447	-	447
Inventories	217,765	136,550	354,315
Total current assets	<u>4,015,583</u>	<u>2,180,725</u>	<u>6,196,308</u>
Property, plant and equipment			
Land & land rights	282,018	3,750	285,768
Plant in service	47,643,816	1,855,438	49,499,254
Allowance for depr. - plant in service	(21,467,714)	(1,365,599)	(22,833,313)
Machinery & equipment	1,473,549	997,718	2,471,267
Allowance for depr. - mach. & equip.	(1,142,672)	(826,538)	(1,969,210)
Other vehicles & equipment	223,230	100,244	323,474
Allowance for amort. - leased equipment	(148,862)	(62,270)	(211,132)
Construction in progress	36,000	-	36,000
Total property, plant and equipment	<u>26,899,365</u>	<u>702,743</u>	<u>27,602,108</u>
Total assets	<u>\$ 30,914,948</u>	<u>\$ 2,883,468</u>	<u>\$ 33,798,416</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows related to pension	\$ 600,497	\$ 203,685	\$ 804,182
Deferred outflows related to OPEB	11,659	4,137	15,796
Total deferred outflows of resources	<u>612,156</u>	<u>207,822</u>	<u>819,978</u>
<b>LIABILITIES</b>			
Current			
Accounts payable	57,370	47,297	104,667
Retainage payable	11,207	-	11,207
Accrued liabilities	94,039	12,822	106,861
Accrued interest	47,452	-	47,452
Due to other funds	2,482,295	468,565	2,950,860
Customer deposits	70,538	18,907	89,445
Net pension liability	148,612	52,733	201,345
Net OPEB liability	44,570	15,815	60,385
Current portion of long-term debt	1,214,347	22,031	1,236,378
Total current liabilities	<u>4,170,430</u>	<u>638,170</u>	<u>4,808,600</u>
Long-term liabilities			
Bonds payable	7,567,518	-	7,567,518
Notes payable	3,155,358	-	3,155,358
Other debt	74,368	37,974	112,342
Less: current portion	(1,214,347)	(22,031)	(1,236,378)
Total long-term liabilities	<u>9,582,897</u>	<u>15,943</u>	<u>9,598,840</u>
Total liabilities	<u>13,753,327</u>	<u>654,113</u>	<u>14,407,440</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows related to Pension	67,585	23,657	91,242
Deferred inflows related to OPEB	2,433	863	3,296
Deferred inflows related to federal grant funds	522,141	-	522,141
Total deferred inflows of resources	<u>592,159</u>	<u>24,520</u>	<u>616,679</u>
<b>NET POSITION</b>			
Net invested in capital assets	16,102,121	664,769	16,766,890
Unrestricted	1,079,497	1,747,888	2,827,385
Total net position	<u>\$ 17,181,618</u>	<u>\$ 2,412,657</u>	<u>\$ 19,594,275</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, 2024**

	Water and Sewer	Natural Gas	Total
Operating revenues			
Charges for services	\$ 5,139,015	\$ 2,479,009	\$ 7,618,024
Penalties and interest	54,119	21,839	75,958
Supplies sold	125	42,863	42,988
Service charges	216,003	27,932	243,935
Miscellaneous	62,676	3,943	66,619
Total operating revenues	<u>5,471,938</u>	<u>2,575,586</u>	<u>8,047,524</u>
Operating expenses			
Hourly wages	1,270,291	401,850	1,672,141
Overtime wages	2,733	-	2,733
Payroll taxes	94,098	30,073	124,171
Hospital and Health Insurance (Employee insurance)	192,228	58,534	250,762
Retirement	54,857	20,000	74,857
Unemployment (Insurance)	636	189	825
Office supplies	2,996	1,196	4,192
Postage	39,903	1,059	40,962
Memberships & registration fees	8,469	1,800	10,269
Electricity	744,634	1,065	745,699
Telephone	48,822	2,002	50,824
Utilities	24,055	77	24,132
Master meter	6,366	-	6,366
Legal	4,771	-	4,771
Audit and accounting	7,500	-	7,500
Architects & engineers	28,716	13,000	41,716
Vehicle repair	23,227	4,935	28,162
Equipment repair	214,215	20,657	234,872
Travel	6,891	29	6,920
Materials & supplies	264,830	61,715	326,545
Uniform & linens	16,683	5,401	22,084
Gasoline & oil	36,589	37,305	73,894
Natural gas purchases	-	1,328,641	1,328,641
Pipes and meters	87,162	54,519	141,681
Regulatory fees	97,282	8,953	106,235
Miscellaneous	39,883	8,275	48,158
Insurance & bonding	164,985	164,060	329,045
Computer equipment repair	72,481	59,019	131,500
Chemicals	269,671	-	269,671
Lease Expense	5,343	9,830	15,173
Depreciation	702,428	90,278	792,706
Amortization	45,272	21,382	66,654
Total operating expenses	<u>4,578,017</u>	<u>2,405,844</u>	<u>6,983,861</u>
Operating income	893,921	169,742	1,063,663

Continued

**TOWN OF LIVINGSTON, TENNESSEE**

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

**For the Fiscal Year Ended June 30, 2024**

	Water and Sewer	Natural Gas	Total
Nonoperating revenues (expenses)			
Interest income	\$ 4,232	\$ 37	\$ 4,269
Interest expense	(297,065)	-	(297,065)
Total nonoperating revenues (expenses)	(292,833)	37	(292,796)
Net income before contributions	601,088	169,779	770,867
Contributions			
Federal grants	184,983	-	184,983
Other grants	10,086	-	10,086
Capital contributions - service tap fees	38,565	-	38,565
Total capital contributions	233,634	-	233,634
Transfers out	(34,000)	(22,000)	(56,000)
Change in net position	800,722	147,779	948,501
Net position, beginning	16,022,437	2,264,878	18,287,315
Restatement - see Note 12	358,459	-	358,459
Net position, ending	\$ 17,181,618	\$ 2,412,657	\$ 19,594,275

See Accompanying Notes to Financial Statements

**TOWN OF LIVINGSTON, TENNESSEE**

**Statement of Cash Flows  
Proprietary Funds  
For the Fiscal Year Ended June 30, 2024**

	Water and Sewer	Natural Gas	Total
<u>Cash flows from operating activities</u>			
Cash received from customers	\$ 5,408,711	\$ 2,573,849	\$ 7,982,560
Cash paid to employees for services	(1,270,291)	(401,850)	(1,672,141)
Cash paid to suppliers of goods and services	(3,398,970)	(2,159,463)	(5,558,433)
Cash received from customers deposits	656	475	1,131
Net cash provided (used) by operating activities	740,106	13,011	753,117
<u>Cash flows from non-capital and related financing activities</u>			
Transfers to other funds	(34,000)	(22,000)	(56,000)
Net cash provided (used) by non-capital financing activities	(34,000)	(22,000)	(56,000)
<u>Cash flows from capital and related financing activities</u>			
Acquisition and construction of capital assets	(198,520)	(60,242)	(258,762)
Capital contributed from federal grants	543,442	-	543,442
Capital contributed from other grants	10,086	-	10,086
Capital contributed by customers	38,565	-	38,565
Deferred inflows related to federal grant funds	522,141	-	522,141
Principal paid on note maturities	(604,280)	-	(604,280)
Principal paid on bond maturities	(536,000)	-	(536,000)
Principal paid on other debt	(60,657)	(25,536)	(86,193)
Interest paid on notes and bonds	(300,035)	-	(300,035)
Net cash provided (used) by capital and related financing activities	(585,258)	(85,778)	(671,036)
<u>Cash flows from investing activities</u>			
Interest received	4,232	37	4,269
Net cash flows provided (used) by investing activities	4,232	37	4,269
Net increase (decrease) in cash	125,080	(94,730)	30,350
Cash, cash equivalents and restricted cash, beginning	3,245,667	408,452	3,654,119
Cash, cash equivalents and restricted cash, ending	\$ 3,370,747	\$ 313,722	\$ 3,684,469

**Reconciliation of Operating Income to Net Cash  
Provided by Operating Activities**

	Water and Sewer	Natural Gas	Total
Operating income	\$ 893,921	\$ 169,742	\$ 1,063,663
Adjustments to reconcile operating income to net cash provided by operation activities			
Depreciation and amortization	747,700	111,660	859,360
Pension contributions	(74,742)	(25,826)	(100,568)
Actuarially determined pension expense	54,857	20,000	74,857
OPEB contributions	(107,478)	(45,993)	(153,471)
Actuarially determined health insurance expense	142,822	58,534	201,356
(Increase) decrease in receivables	(63,227)	(1,737)	(64,964)
(Increase) decrease in due from other funds	(244,508)	(380,717)	(625,225)
(Increase) decrease in inventories	4,103	(16,745)	(12,642)
Increase (decrease) in accounts payable	(141,383)	32,894	(108,489)
Increase (decrease) in retainage payable	3	-	3
Increase (decrease) in accrued liabilities	(13,321)	(10,508)	(23,829)
Increase (decrease) in due to other funds	(459,297)	101,232	(358,065)
Increase (decrease) in customer deposits	656	475	1,131
Net cash provided (used) by operating activities	\$ 740,106	\$ 13,011	\$ 753,117

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, 2024

### **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, 2024, 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 proprietary 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, 2024

### **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, 2024

### **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, 2024

### **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, 2024

#### **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 28, 2024, based on expected revenues and expenditures (expenses) through June 30, 2024.

##### **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.

Net position is reported as restricted when there are limitations imposed on its use either through enabling legislation adopted or external restrictions imposed by creditors, grantors, laws or regulation so of other governments.

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, 2024

#### **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, 2024 were approximately 97 percent of the tax levy.

The government-wide financial statements report taxes receivable of \$1,958,482 which is net of an allowance for doubtful accounts of \$57,583. Of this amount, \$46,459 represents prior year property taxes and \$1,912,023 represents the estimated net realizable 2024 property taxes. The 2024 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, 2024

#### **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, 2024

### **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 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, \$1,828,036 of the Town's bank balances of \$6,997,392 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, 2024 was as follows:

<b><u>Assets</u></b>	<b><u>Beginning Balance</u></b>	<b><u>Additions</u></b>	<b><u>Retirements</u></b>	<b><u>Ending Balance</u></b>
<b><u>Capital assets not being depreciated:</u></b>				
Land	\$ 998,634	\$ 211,599	\$ -	\$ 1,210,233
Construction in progress	-	-	-	-
	<u>998,634</u>	<u>211,599</u>	<u>-</u>	<u>1,210,233</u>
<b><u>Capital assets being depreciated:</u></b>				
Buildings	1,317,336	-	-	1,317,336
Improvements other than buildings	9,156,510	132,686	-	9,289,196
Machinery and equipment	4,018,246	458,667	54,383	4,422,530
Other vehicles	223,976	-	-	223,976
Infrastructure	<u>4,749,570</u>	<u>-</u>	<u>-</u>	<u>4,749,570</u>
Total	<u>19,465,638</u>	<u>591,353</u>	<u>54,383</u>	<u>20,002,608</u>
<b><u>Accumulated depreciation</u></b>				
<b><u>Capital assets being depreciated:</u></b>				
Buildings	749,300	28,606	-	777,906
Improvements other than buildings	4,751,078	357,808	-	5,108,886
Machinery and equipment	3,134,314	161,698	54,383	3,241,629
Other vehicles	114,087	43,666	-	157,753
Infrastructure	<u>1,403,744</u>	<u>329,618</u>	<u>-</u>	<u>1,733,362</u>
Total	<u>10,152,523</u>	<u>921,396</u>	<u>54,383</u>	<u>11,019,536</u>
Net depreciable capital assets	<u>9,313,115</u>	<u>(330,043)</u>	<u>-</u>	<u>8,983,072</u>
Governmental capital assets – net	<u>\$10,311,749</u>	<u>\$(118,444)</u>	<u>\$ -</u>	<u>\$10,193,305</u>



# TOWN OF LIVINGSTON, TENNESSEE

## Notes to Financial Statements (Continued)

June 30, 2024

### **NOTE 3 – CAPITAL ASSETS (CONT.)**

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

General government	\$ 43,852
Public safety	
Police	87,233
Fire	26,788
Streets	370,262
Recreation	71,698
Airport	318,353
Sanitation	<u>3,210</u>
	<u>\$921,396</u>

### **Business-type Activities**

Capital assets activity of the Proprietary funds for the year ended June 30, 2024 was as follows:

<b><u>Business-type Activities</u></b> <b><u>Assets</u></b>	<b><u>Beginning</u></b> <b><u>Balance</u></b>	<b><u>Increases</u></b>	<b><u>Decreases</u></b>	<b><u>Ending</u></b> <b><u>Balance</u></b>	<b><u>Water &amp;</u></b> <b><u>Sewer</u></b>	<b><u>Natural</u></b> <b><u>Gas</u></b>
<b><u>Capital assets not being depreciated:</u></b>						
Land	\$ 285,768	\$ -	\$ -	\$ 285,768	\$ 282,018	\$ 3,750
Construction in progress	<u>-</u>	<u>36,000</u>	<u>-</u>	<u>36,000</u>	<u>-</u>	<u>-</u>
Total	<u>285,768</u>	<u>36,000</u>	<u>-</u>	<u>321,768</u>	<u>282,018</u>	<u>3,750</u>
<b><u>Capital assets being depreciated:</u></b>						
Utility plant and buildings	49,393,529	105,725	-	49,499,254	47,643,816	1,855,438
Machinery and equipment	2,354,230	117,037	-	2,471,267	1,473,549	997,718
Other vehicles	<u>323,474</u>	<u>-</u>	<u>-</u>	<u>323,474</u>	<u>223,230</u>	<u>100,244</u>
Total	<u>52,071,233</u>	<u>222,762</u>	<u>-</u>	<u>52,293,995</u>	<u>49,340,595</u>	<u>2,953,400</u>
<b><u>Business-type Activities</u></b> <b><u>Accumulated depreciation</u></b>	<b><u>Beginning</u></b> <b><u>Balance</u></b>	<b><u>Increases</u></b>	<b><u>Decreases</u></b>	<b><u>Ending</u></b> <b><u>Balance</u></b>	<b><u>Water &amp;</u></b> <b><u>Sewer</u></b>	<b><u>Natural</u></b> <b><u>Gas</u></b>
<b><u>Capital assets being depreciated:</u></b>						
Utility plant and buildings	\$22,158,222	\$ 675,091	\$ -	\$22,833,313	\$21,467,714	\$1,365,599
Machinery and equipment	1,851,595	117,615	-	1,969,210	1,142,672	826,538
Other vehicles and equipment	<u>144,478</u>	<u>66,654</u>	<u>-</u>	<u>211,132</u>	<u>148,862</u>	<u>62,270</u>
Total	<u>24,154,295</u>	<u>859,360</u>	<u>-</u>	<u>25,013,655</u>	<u>22,759,248</u>	<u>2,254,407</u>
Net depreciable capital assets	<u>27,916,938</u>	<u>(636,598)</u>	<u>-</u>	<u>27,280,340</u>	<u>26,581,347</u>	<u>698,993</u>
Business-type capital assets – net	<u>\$28,202,706</u>	<u>\$ (600,598)</u>	<u>\$ -</u>	<u>\$27,602,108</u>	<u>\$26,863,365</u>	<u>\$ 702,743</u>
Current year depr/amort					<u>\$ 747,700</u>	<u>\$ 111,660</u>

## TOWN OF LIVINGSTON, TENNESSEE

### Notes to Financial Statements (Continued)

June 30, 2024

#### **NOTE 4 – RECEIVABLES**

A summary of receivables totaling \$2,738,967 as of June 30, 2024, is as follows:

		<b><u>Proprietary Funds</u></b>		
	<b><u>Governmental</u></b>	<b><u>Water &amp; Sewer</u></b>	<b><u>Natural Gas</u></b>	<b><u>Total</u></b>
Property taxes	\$2,016,065	\$ -	\$ -	\$2,016,065
Due from other governments	503,738	73,072	-	576,810
Customer charges	6,930	238,185	160,070	405,185
Other	81,407	447	-	81,854
Less: allowance	( 57,583)	( 140,659)	( 69,633)	( 267,875)
Total	<u>\$2,550,557</u>	<u>\$ 171,045</u>	<u>\$ 90,437</u>	<u>\$2,812,039</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, 2024.

#### **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 Town is lessee of two pieces of equipment and eighteen vehicles and is presented as other debt. In the prior two reports, the unpaid obligations were incorrectly presented as lease liability.

The general obligation capital outlay notes and bond debt is the responsibility of the general fund. The Drinking Water Revolving notes payable and Tennessee Municipal League 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.

The general fund is responsible for lease obligations related to one piece of equipment and eight vehicles and the debt is payable from non-restricted funds of the town. The Water & Sewer propriety fund is responsible for lease obligations related to one piece of equipment and seven vehicles and the Natural Gas propriety fund is responsible for lease obligations related to three vehicles. The propriety funds is payable from non-restricted funds of the town.

# TOWN OF LIVINGSTON, TENNESSEE

## Notes to Financial Statements (Continued)

June 30, 2024

### **NOTE 5 – LONG-TERM DEBT (CONT.)**

The following summarizes changes in long-term debt for the year ended June 30, 2024:

	<b>Beginning Balance</b>	<b>Corrections<sup>1,2</sup></b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balance</b>	<b>Due Within One Year</b>
<b><u>Governmental Activities:</u></b>						
General obligation notes	\$ 1,563,000	\$ -	\$ -	\$ 369,000	\$ 1,194,000	\$ 241,000
General obligation bonds	106,566	-	-	5,545	101,021	5,802
Other debt	-	109,889	-	43,666	66,223	43,205
Compensated absences	<u>58,431</u>	<u>( 73,823)</u>	<u>15,392</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 1,727,997</u>	<u>\$ 36,066</u>	<u>\$ 15,392</u>	<u>\$ 418,211</u>	<u>\$ 1,361,244</u>	<u>\$ 290,007</u>
<b><u>Business-type Activities:</u></b>						
Capital outlay note	\$ 1,160,000	\$ -	\$ -	\$ 176,000	\$ 984,000	\$ 182,000
Revenue bonds	3,908,518	-	-	171,000	3,737,518	175,000
Refunding bonds	4,195,000	-	-	365,000	3,830,000	375,000
<b><u>Direct borrowings</u></b>						
State revolving loans	2,599,638	-	-	428,280	2,171,358	435,697
Other debt - vehicle leases	<u>-</u>	<u>178,996</u>	<u>-</u>	<u>66,654</u>	<u>112,342</u>	<u>68,681</u>
Total	<u>\$11,863,156</u>	<u>\$178,996</u>	<u>\$ -</u>	<u>\$1,206,934</u>	<u>\$10,835,218</u>	<u>\$1,236,378</u>

<sup>1</sup> In the prior two reports, other debt was found to have been reported as lease liability instead of the correct manner as long-term debt.

<sup>2</sup> Compensated absences, under governmental activities, were previously considered long-term debt in error, and were moved to accrued liabilities. Compensated absences, under business-type activities, have been correctly presented as accrued liabilities in prior years and again in the current year.

The annual requirements to amortize all general obligation bonds, notes and other debt outstanding as of June 30, 2024, including interest payments of \$145,334 on bonds, notes and other debt carrying interest rates ranging from 2.56% to 3.89% are as follows:

<b><u>Year Ending</u></b>	<b><u>Bonds</u></b>		<b><u>Notes</u></b>		<b><u>Other Debt</u></b>		<b><u>Total</u></b>	
	<b><u>Principal</u></b>	<b><u>Interest</u></b>	<b><u>Principal</u></b>	<b><u>Interest</u></b>	<b><u>Principal</u></b>	<b><u>Interest</u></b>	<b><u>Principal</u></b>	<b><u>Interest</u></b>
2025	\$ 5,802	\$ 4,804	\$ 241,000	\$ 32,983	\$43,205	\$1,378	\$ 290,007	\$ 39,165
2026	6,078	4,528	247,000	25,446	23,018	250	276,096	30,224
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	6,985	3,621	166,000	8,889	-	-	172,985	12,510
2030-2034	40,228	12,800	223,000	6,286	-	-	263,228	19,086
2035-2037	<u>28,894</u>	<u>2,923</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>28,894</u>	<u>2,923</u>
Total	<u>\$101,021</u>	<u>\$36,854</u>	<u>\$1,194,000</u>	<u>\$106,852</u>	<u>\$66,223</u>	<u>\$1,628</u>	<u>\$1,361,244</u>	<u>\$145,334</u>

## TOWN OF LIVINGSTON, TENNESSEE

### Notes to Financial Statements (Continued)

June 30, 2024

#### **NOTE 5 – LONG-TERM DEBT (CONT.)**

Long-term debt payable is comprised of the following:

##### Government Activities

Capital Outlay Note – Series 2013 (\$1,000,000), due in annual installments of \$98,248 through November 2025 at 2.95%	\$ 191,000
Capital Outlay Note – Series 2018 (\$500,000), due in annual installments of \$60,667 through October 2028 at 3.89%	274,000
Capital Outlay Note – Series 2020 (\$1,000,000), due in annual Installments of \$115,068 through August 2030 at 2.80%	729,000
General Obligation Bonds – FHA 97-31, (\$435,000) due in monthly installments of \$884 through October 2036 at 4.75%	<u>101,021</u>
Total governmental activities	<u>\$ 1,295,021</u>

##### Business-type Activities

2004 State Revolving Loan Program (\$1,426,694), due in 264 monthly Installments of \$7,189 through July 2026 at 1.96%	\$ 181,792
2008 State Revolving Loan Program (\$5,570,000), due in 276 monthly installments of \$26,903 through November 2028 at 1.51%	1,400,414
2014 State Revolving Loan Program (\$520,000), due in 252 monthly Installments of \$2,577 through August 2035 at 1.64%	312,803
2015 State Revolving Loan Program (\$450,000), due in 240 monthly Installments of \$2,231 through November 2035 at 1.64%	276,349
Revenue Capital Outlay Note – Series 2019 (\$1,800,000), due in annual Installments of \$219,589 through April 2029 at 3.82%	984,000
2016 TML Local Govt Loan Program Bond (\$3,000,000), due in annual Installments of \$161,126 through December 2041 at 2.50%	2,337,000
2020 TML Local Govt Loan Program Bond (\$1,700,000), due in annual installments of \$113,936 through February 2040 at 2.99%	1,400,518
2021 TML Local Govt Loan Program Bond (\$4,558,635), due in annual installments of \$449,671 through December 2033 at 2.05%	<u>3,830,000</u>
Total business-type activities	<u>\$10,722,876</u>

# TOWN OF LIVINGSTON, TENNESSEE

## Notes to Financial Statements (Continued)

June 30, 2024

### **NOTE 5 – LONG-TERM DEBT (CONT.)**

The annual requirements to amortize Water & Sewer and Natural Gas revenue bonds, notes and other debt outstanding as of June 30, 2024, carrying interest rates ranging from 1.51% to 4.125% including interest payments of \$1,575,638 are as follows:

<b>Year Ending</b>	<b>Bonds</b>		<b>Notes</b>		<b>Other</b>		<b>Total</b>	
	<b><u>Principal</u></b>	<b><u>Interest</u></b>	<b><u>Principal</u></b>	<b><u>Interest</u></b>	<b><u>Principal</u></b>	<b><u>Interest</u></b>	<b><u>Principal</u></b>	<b><u>Interest</u></b>
2025	\$ 550,000	\$ 174,733	\$ 617,697	\$ 68,690	\$ 68,681	\$2,462	\$ 1,236,378	\$ 245,885
2026	565,000	162,183	631,767	54,669	43,661	501	1,240,428	217,353
2027	586,000	149,239	573,475	40,792	-	-	1,159,475	190,031
2028	546,000	136,441	572,750	27,674	-	-	1,118,750	164,115
2029	560,000	123,879	421,291	14,686	-	-	981,291	138,565
2030-2034	3,009,000	415,953	272,199	16,281	-	-	3,281,199	432,234
2035-2039	1,211,000	165,968	66,179	531	-	-	1,277,179	166,499
2040-2042	<u>540,518</u>	<u>20,956</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>540,518</u>	<u>20,956</u>
Total	<u>\$7,567,518</u>	<u>\$1,349,352</u>	<u>\$3,155,358</u>	<u>\$223,323</u>	<u>\$112,342</u>	<u>\$2,963</u>	<u>\$10,835,218</u>	<u>\$1,575,638</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 at the loan 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 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 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, 2024, there were no unused lines of credit.

# TOWN OF LIVINGSTON, TENNESSEE

## Notes to Financial Statements (Continued)

June 30, 2024

### **NOTE 5 – LONG-TERM DEBT (CONT.)**

#### **Advance refunding (Cont.)**

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.

### **NOTE 6 – FEDERAL GUARANTEED LOANS**

	<b><u>ID No.</u></b>	<b><u>Issue Date</u></b>	<b><u>Maturity Date</u></b>	<b><u>Interest Rate</u></b>	<b><u>Original Issue</u></b>	<b><u>Balance 6-30-24</u></b>
General Obligation	97-31	10-29-98	10-29-36	4.75	\$ 185,000	\$ 101,021
Water & Sewer	2016	12-28-16	12-01-41	2.50	3,000,000	2,337,000
Water & Sewer	2020	02-26-20	02-26-25	2.99	1,700,000	1,400,518
Water & Sewer	2021	11-30-21	12-01-33	2.05	<u>4,558,635</u>	<u>3,830,000</u>
					<u>\$9,443,635</u>	<u>\$7,668,539</u>

### **NOTE 7 – 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, 2024. 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, 2024. 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, 2024. The interfund balances at June 30, 2024, were as follows:

<b><u>Receivable fund</u></b>		<b><u>Payable fund</u></b>	
General	\$ 84,456	Street Aid	\$ 84,456
General	58,077	Home Rehabilitation	58,077
General	16,000	Police Drug	16,000
General	842,279	Water & Sewer	842,279
General	468,565	Natural Gas	468,565
Water & Sewer	140,000	Home Rehabilitation	140,000
Water & Sewer	116,016	General Debt Service	116,061
Natural Gas	1,572,711	Water & Sewer	1,572,711

Sufficient repayments were made during the subsequent fiscal year ending June 30, 2025 to fully extinguish the following interfund balances.

<b><u>Receivable fund</u></b>		<b><u>Payable fund</u></b>	
General	842,279	Water & Sewer	842,279
General	468,565	Natural Gas	468,565
Natural Gas	1,572,711	Water & Sewer	1,572,711

## TOWN OF LIVINGSTON, TENNESSEE

### Notes to Financial Statements (Continued)

June 30, 2024

#### **NOTE 7 – INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS (CONT.)**

Any remaining interfund balances as of September 30, 2025 will be paid on or about that same date. Our accounting software providers are aware that system revisions are necessary, including decentralizing the collection and recording of multi-fund utility activities through a single bank account, and will be making these revisions in the coming months. The automatic posting of interfund receivables/payables will decrease significantly, simplifying the oversight of balances due between the funds.

##### Interfund Transfers

Interfund transfers for the year ended June 30, 2024, consisted of the following amounts:

<u>Transfers Out</u>	<u>Transfers In</u>	<u>Amount</u>	<u>Purpose</u>
Water & Sewer	General	\$ 34,000	In lieu of tax payments
Natural Gas	General	<u>22,000</u>	In lieu of tax payments
		<u>\$56,000</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, 2024.

#### **NOTE 8 – EXPENDITURES IN EXCESS OF BUDGETED APPROPRIATIONS**

Expenditures of the Public Safety and Capital Outlay major categories of the General Fund exceeded total budgeted appropriations by \$101,639 and \$164,328 respectively due to 1) underestimating year-end police and fire department expenditures and oversight in the recognition of planned paving expenses during the process of projecting expenditures for the fiscal year ended June 30, 2024. 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.

#### **NOTE 9 – 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.

## TOWN OF LIVINGSTON, TENNESSEE

### Notes to Financial Statements (Continued)

June 30, 2024

#### **NOTE 10 – OTHER POSTEMPLOYMENT BENEFITS (OPEB)**

##### **General Information about Local Government OPEB Plan**

*Plan description.* Employees the Town are provided with pre-65 retiree health insurance benefits through the Local Government OPEB Plan (LGOP) administered by the Tennessee Department of Finance and Administration. This plan is considered to be a multiple-employer defined benefit plan that is used to provide postemployment benefits other than pensions (OPEB). However, for accounting purposes, this plan will be treated as a single-employer plan. All eligible pre-65 retired employees and disability participants of local governments, who choose coverage, participate in the LGOP.

*Benefits provided.* The Town offers the LGOP to provide health insurance coverage to pre-65 retirees and disabled participants of local governments. Insurance coverage is the only postemployment benefit provided to retirees. An insurance committee created in accordance with TCA 8-27-701 establishes and amends the benefit terms of the LGOP.

All members have the option of choosing between the premier preferred provider organization (PPO), standard PPO, limited PPO or the wellness healthsavings consumer-driven health plan (CDHP) for healthcare benefits. Retired plan members, of the LGOP, receives the same plan benefits as active employees, at a blended premium rate that considers the cost of all participants. This creates an implicit subsidy for retirees. Participating employers determine their own policy related to direct subsidies provided for the retiree premiums. The LGOP is funded on a pay-as-you-go basis and there are no assets accumulating in a trust that meets the criteria of paragraph 4 of GASB Statement No. 75.

*Employees covered by benefit terms.* At July 1, 2023, the following employees of the Town were covered by the benefit terms of the LGOP:

Active employees

86

An insurance committee, created in accordance with TCA 8-27-701, establishes the required payments to the LGOP by member employers and employees through the blended premiums established for active and retired employees. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. For the fiscal year ended June 30, 2024, the town paid \$300 to the LGOP for OPEB benefits as they came due.

Total OPEB Liability

*Actuarial Assumptions* - The total OPEB liability in the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:



## TOWN OF LIVINGSTON, TENNESSEE

### Notes to Financial Statements (Continued)

June 30, 2024

#### **NOTE 10 – OTHER POSTEMPLOYMENT BENEFITS (OPEB)**

##### **General Information about Local Government OPEB Plan (Cont.)**

Inflation	2.25%
Salary increases	Graded salary ranges from 3.44 to 8.72% based on age, including inflation, averaging 4%.
Healthcare Cost Trend Rates	10.31% for pre-65 in 2023, decreasing annually over an 11-year period to an ultimate rate of 4.50%. 12.44% for post-65 in 2023, decreasing annually over an 11-year period to an ultimate rate of 4.50%.
Retiree's share of benefit-related costs	Members are required to make monthly contributions in order to maintain their coverage. For the purpose of this valuation a weighted average has been used with weights derived from the current distribution of members among plans offered.

Unless noted otherwise, the actuarial demographic assumptions used in the June 30, 2023, valuations were the same as those employed in the July 1, 2022 Pension Actuarial Valuation of the Tennessee Consolidated Retirement System (TCRS). These assumptions were developed by TCRS based on the results of an actuarial experience study for the period July 1, 2016 - June 30, 2020. The demographic assumptions were adjusted to more closely reflect actual and expected future experience. Mortality tables are used to measure the probabilities of participants dying before and after retirement. The mortality rates employed in this valuation are taken from the PUB-2010 Headcount-Weighted Employee Mortality Table mortality table for General Employees for non-disabled post-retirement mortality, with mortality improvement projected generationally with MP-2021 from 2010.

Post-retirement tables are Headcount-Weighted Below Median Healthy Annuitant and adjusted with a 6% load for males and a 14% load for females, projected generationally from 2010 with MP-2021. Mortality rates for impaired lives are the same as those used by TCRS and are taken from a gender distinct table published in the IRS Ruling 96-7 for disabled lives with a 10% load, generationally from 2018 with MP-2021.

*Discount rate.* The discount rate used to measure the total OPEB liability was 3.65 percent. This rate reflects the interest rate derived from yields on 20-year, tax-exempt general obligation municipal bonds, prevailing on the measurement date, with an average rating of AA/Aa as shown on the Bond Buyer 20-Year Municipal GO AA index.

# TOWN OF LIVINGSTON, TENNESSEE

## Notes to Financial Statements (Continued)

June 30, 2024

### **NOTE 10 – OTHER POSTEMPLOYMENT BENEFITS (OPEB)**

#### **General Information about Local Government OPEB Plan (Cont.)**

Changes in Total OPEB Liability	<u>Total OPEB Liability</u>
Total OPEB liability – beginning balance	\$ <u>97,355</u>
Changes for the year:	
Service cost	9,949
Interest	3,789
Changes of benefit terms	-
Difference between expected and actual experience	(8,856)
Change in assumptions	42,098
Benefit payments	<u>(562)</u>
Net changes	<u>46,418</u>
Total OPEB liability – ending balance	\$ <u>143,773</u>

The beginning balance of \$97,355 cannot be traced to an ending balance in the prior audit report for the period ending June 30, 2024, as the Town's participation in the OPEB plan for that period was overlooked by Town personnel in preparing the financials and disclosure footnotes. Additionally, the auditor was not made aware of the Town's participation in the OPEB plan.

*Changes in assumptions* – The discount rate was changed from 3.54% as of the beginning of the measurement period to 3.65% as of June 30, 2023. This change in assumption decreased the total OPEB liability. Other changes in assumptions include adjustments to initial per capita costs and health trend rates.

*Sensitivity of total OPEB Liability to changes in the discount rate.* The following presents the total OPEB liability related to the LGOP, as well as total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current discount rate.

	1% Decrease 2.65%	Current Discount Rate Assumption 3.65%	1% Increase 4.65%
Total OPEB Liability	\$156,985	\$143,773	\$131,434

*Sensitivity of total OPEB liability to changes in the healthcare cost trend rate.* The following presents the total OPEB liability related to the LGOP, as well as what the total OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1 percentage point lower or 1 percentage point higher than the current healthcare cost trend rate.

	1% Decrease (9.31%/11.44% Decreasing to 3.5%)	Healthcare Cost Trend Rates 10.31%/12.44% Decreasing to 4.5%)	1% Increase 11.31%/13.44% Decreasing to 5.5%)
Total OPEB Liability	\$126,537	\$143,773	\$164,131

## TOWN OF LIVINGSTON, TENNESSEE

### Notes to Financial Statements (Continued)

June 30, 2024

#### **NOTE 10 – OTHER POSTEMPLOYMENT BENEFITS (OPEB)**

##### **General Information about Local Government OPEB Plan (Cont.)**

*OPEB expense* – For the fiscal year ended June 30, 2024, the Town recognized OPEB expense of \$17,519.

*Deferred outflows of resources and deferred inflows of resources* – For the fiscal year ended June 30, 2024, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB benefits in the LGOP from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$7,848
Changes in assumptions	37,309	-
Changes in proportion and actual and expected revenue	<u>300</u>	<u>-</u>
Total	<u>\$37,609</u>	<u>\$7,848</u>

The amounts shown above for "Employer payments subsequent to the measurement date" will be recognized as total OPEB liability in the following measurement period.

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

	Employer Net Deferred Outflows of Resources
Year ended June 30:	
2025	\$ 3,781
2026	3,781
2027	3,781
2028	3,781
2029	3,781
Thereafter	82,260

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

#### **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.

# TOWN OF LIVINGSTON, TENNESSEE

## Notes to Financial Statements (Continued)

June 30, 2024

### **NOTE 11 – PENSION PLAN (CONT.)**

#### **General Information about the Pension Plan (Cont.)**

##### Plan Description (Cont.)

The TCRS issues a publicly available financial report that can be obtained at <https://treasury.tn.gov/Retirement/Boards-and-Governance/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 nonservice-related disability benefits are determined in the same manner as a service retirement benefit but are reduced 10 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 2<sup>nd</sup> 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, 2023, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	39
Inactive employees entitled to but not yet receiving benefits	112
Active employees	<u>90</u>
Total	241

##### 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, 2024, the employer contributions for Livingston were \$249,334 based on a rate of 6.26% 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.

## TOWN OF LIVINGSTON, TENNESSEE

### Notes to Financial Statements (Continued)

June 30, 2024

#### **NOTE 11 – PENSION PLAN (CONT.)**

##### **Net Pension Liability (Asset)**

Livingston's net pension liability (asset) was measured as of June 30, 2023, 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, 2023 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, 2023, 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%. 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>	<u>Percentage Long-term Expected Real Rate of Return</u>	<u>Percentage Target Allocations</u>
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%	1%
		100%

# TOWN OF LIVINGSTON, TENNESSEE

## Notes to Financial Statements (Continued)

June 30, 2024

### **NOTE 11 – PENSION PLAN (CONT.)**

#### **Actuarial Assumptions (Cont.)**

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.

#### **Changes in the Net Pension Liability (Asset)**

	Increase (Decrease)		
	<b>Total Pension Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net Pension Liability (Asset) (a)-(b)</b>
<b>Balance at June 30, 2022</b>	<u>\$12,343,523</u>	<u>\$12,257,317</u>	<u>\$86,206</u>
<b>Changes for the year:</b>			
Service cost	297,401		297,401
Interest	838,302		838,302
Changes of Benefit Terms	-		-
Differences between expected and actual experience	454,390		454,390
Changes in assumptions	-		-
Contributions- employer		212,768	(212,768)
Contributions- employees		169,943	(169,943)
Net investment income		821,637	(821,637)
Benefits payments, including refunds of employee contributions	(443,267)	(443,267)	-
Administrative expense		(7,443)	7,443
Other Changes	-	-	-
<b>Net changes</b>	<u>1,146,826</u>	<u>753,638</u>	<u>393,188</u>
<b>Balance at June 30, 2023</b>	<u>\$13,490,349</u>	<u>\$13,010,955</u>	<u>\$ 479,394</u>

# TOWN OF LIVINGSTON, TENNESSEE

## Notes to Financial Statements (Continued)

June 30, 2024

### **NOTE 11 – PENSION PLAN (CONT.)**

#### **Actuarial Assumptions (Cont.)**

*Sensitivity of the net pension liability (asset) to changes in the discount rate.* The following presents the net pension liability (asset) of Livingston calculated using the stated discount rate of 6.75%, 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 (5.75%) or 1-percentage-point higher (7.75%) than the current rate:

	<b><u>1% Decrease (5.75%)</u></b>	<b><u>Current Discount Rate (6.75%)</u></b>	<b><u>1% Increase (7.75%)</u></b>
Livingston's net pension liability (asset)	\$2,517,367	\$479,394	(\$1,185,284)

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

*Pension expense (negative pension expense).* For the year ended June 30, 2024, Livingston recognized pension expense (negative pension expense) of \$380,765.

*Deferred outflows of resources and deferred inflows of resources.* For the year ended June 30, 2024, Livingston reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b><u>Deferred Outflows of Resources</u></b>	<b><u>Deferred Inflows of Resources</u></b>
Differences between expected and actual experience	\$ 568,266	\$ 217,243
Net difference between projected and actual earnings on pension plan investments	96,444	-
Changes in assumptions	1,000,674	-
Contributions subsequent to the measurement date of June 30, 2023	<u>249,334</u>	<u>N/A</u>
Total	<u>\$ 1,914,718</u>	<u>\$ 217,243</u>

The amount shown above for "Contributions subsequent to the measurement date of June 30, 2023," will be recognized as a reduction (increase) to net pension liability (asset) in the following measurement period.

## TOWN OF LIVINGSTON, TENNESSEE

### Notes to Financial Statements (Continued)

June 30, 2024

#### **NOTE 11 – PENSION PLAN (CONT.)**

##### **Actuarial Assumptions (Cont.)**

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

<u>June 30</u>	<u>Amount</u>
2025	\$239,277
2026	\$159,846
2027	\$521,398
2028	\$214,798
2029	\$214,111
Thereafter	\$98,723

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, 2024, Livingston reported a payable of \$0 for the outstanding amount of contributions to the pension plan required at the year ended June 30, 2024.

#### **NOTE 12 – RESTATEMENT**

During the year ended June 30, 2024, the Town became aware of an error that affected the beginning business-type net position in that a significant federal grant receivable had been inadvertently overlooked.

Net position at June 30, 2023 as originally reported	\$18,287,315
Federal grant receivable	<u>358,459</u>
Net position at June 30, 2023 as restated	<u>\$18,645,774</u>

The restatement resulted in an increase to the previously reported net income of the business-type activities of \$358,459. There was no effect on previously reported net income for governmental activities.

#### **NOTE 13 – COMMITMENTS**

The Town is under contract for AMR meter installation in the Monroe/Alpine area. The Town's total commitment amounts to \$1,220,887. There were no payments prior to or payables as of June 30, 2024.

#### **NOTE 14 – SUBSEQUENT EVENTS**

During July 2024, work began on waste water treatment plant improvements funded through a previously awarded \$450,000 Community Development Block Grant. The Town is scheduled to incur in-kind costs of \$300,000 during the estimated 2-year project.



## REQUIRED SUPPLEMENTARY INFORMATION

**TOWN OF LIVINGSTON**

**Schedule of Changes in Town of Livingston's  
Total OPEB Liability and Related Ratios**

**For the Year Ended June 30**

	<u>2024</u>
<b>Total OPEB Liability</b>	
Service cost	\$ 9,949
Interest	3,789
Changes in benefit terms	-
Difference between expected and actual experience	(8,856)
Changes in assumptions	42,098
Benefit payments	<u>(562)</u>
Net change in total OPEB liability	46,418
Total OPEB liability, beginning	97,355
Total OPEB liability, ending	<u>\$ 143,773</u>
 <b>Covered-employee payroll</b>	 3,169,189
 <b>Employer's proportionate share of collective total OPEB liability as a percentage of covered-employee payroll</b>	  4.5%

**Notes to Schedule**

The amounts reported for each fiscal year were determined as of the prior fiscal year.

There are no assets accumulating, in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75, related to this OPEB plan.

This schedule is intended to display 10 years of information. Additional years will be displayed as they become available until 10 years of information is available.

**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>	<u>2023</u>
Total pension liability										
Service cost	\$ 184,861	\$ 177,193	\$ 184,551	\$ 187,327	\$ 207,290	\$ 207,807	\$ 213,812	\$ 233,520	\$ 276,086	\$ 297,401
Interest	487,646	493,636	515,779	549,580	573,353	618,296	663,606	716,916	800,674	838,302
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)	454,390
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)	(443,267)
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	1,146,826
Total pension liability, beginning	6,413,315	6,818,838	7,242,910	7,868,827	8,466,687	9,150,909	9,852,136	11,785,730	12,343,523	12,343,523
Total pension liability, ending (a)	6,514,603	6,818,838	7,242,910	7,868,827	8,466,687	9,150,909	9,852,136	11,785,730	12,343,523	13,490,349
Plan fiduciary net position										
Contributions - employer	204,836	219,672	213,967	200,226	85,565	85,313	92,728	92,786	97,645	212,768
Contributions - employee	122,217	123,352	135,234	121,349	131,639	162,729	142,657	142,747	150,223	169,943
Net investment income	1,013,458	223,984	201,627	895,619	729,705	702,300	496,557	2,664,092	(490,758)	821,637
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)	(443,267)
Administrative expense	(2,992)	(3,918)	(5,851)	(6,477)	(7,503)	(7,154)	(7,090)	(7,265)	(8,073)	(7,443)
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)	753,638
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	12,257,317
Plan fiduciary net position, ending (b)	7,188,381	7,531,511	7,848,254	8,853,967	9,457,783	10,108,436	10,410,221	12,908,249	12,257,317	13,010,955
Changes in benefit terms										
Net pension liability (asset), ending (a) - (b)	\$ (673,778)	\$ (712,673)	\$ (605,344)	\$ (985,140)	\$ (991,096)	\$ (957,527)	\$ (558,085)	\$ (1,122,519)	\$ 86,206	\$ 479,394
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%	96.45%
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	\$ 3,398,856
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%	14.10%

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.

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>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>	<u>2024</u>
Actuarially determined contributions	\$ 219,672	\$ 213,967	\$ 181,781	\$ 85,565	\$ 97,861	\$ 22,540	\$ 22,554	\$ 48,071	\$ 212,768	\$ 249,334
Contributions in relation to the actuarially determined contribution	<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>212,768</u>	<u>249,334</u>
Contribution deficiency (excess)	\$ -	\$ -	\$ (18,445)	\$ -	\$ -	\$ (70,188)	\$ (70,232)	\$ (49,574)	\$ -	\$ -
Covered payroll	\$ 2,454,432	\$ 2,390,674	\$ 2,426,980	\$ 2,632,771	\$ 2,615,942	\$ 2,853,143	\$ 2,854,934	\$ 3,004,453	\$ 3,398,856	\$ 3,982,971
Contributions as a percentage of covered payroll	8.95%	8.95%	8.25%	3.25%	3.74%	3.25%	3.25%	3.25%	6.26%	6.26%

## Notes to schedule

Valuation date: Actuarially determined contribution rates for 2024 were calculated based on the June 30, 2022 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, which may include the addition of infrastructure and pay for street lighting.
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, 2024**

	Special Revenue Funds					
	Street Aid	Home Rehabilitation	Police Drug	Industrial Development	General Debt Service	Total
<b>ASSETS</b>						
Current						
Cash and cash equivalents	\$ 72,669	\$ 203,040	\$ 26,764	\$ 237,943	\$ 531,844	\$ 1,072,260
Investments	-	-	-	189,760	-	189,760
Receivables (net of allowances for uncollectibles)						
Due from other governments	23,871	105,470	-	-	84,072	213,413
Inventories	61,729	-	-	-	-	61,729
Total assets	<u>\$ 158,269</u>	<u>\$ 308,510</u>	<u>\$ 26,764</u>	<u>\$ 427,703</u>	<u>\$ 615,916</u>	<u>\$ 1,537,162</u>
<b>LIABILITIES</b>						
Accounts payable	\$ 1,455	\$ 105,470	\$ -	\$ -	\$ -	\$ 106,925
Accrued liabilities	3,681	-	-	-	-	3,681
Due to other funds	84,456	198,077	16,000	-	116,016	414,549
Total liabilities	<u>89,592</u>	<u>303,547</u>	<u>16,000</u>	<u>-</u>	<u>116,016</u>	<u>525,155</u>
<b>FUND BALANCES</b>						
Nonspendable	61,729	-	-	-	-	61,729
Restricted	6,948	4,963	10,764	427,703	-	450,378
Unassigned	-	-	-	-	499,900	499,900
Total fund balances	<u>68,677</u>	<u>4,963</u>	<u>10,764</u>	<u>427,703</u>	<u>499,900</u>	<u>1,012,007</u>
Total liabilities and fund balances	<u>\$ 158,269</u>	<u>\$ 308,510</u>	<u>\$ 26,764</u>	<u>\$ 427,703</u>	<u>\$ 615,916</u>	<u>\$ 1,537,162</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, 2024**

	Special Revenue Funds					
	Street Aid	Home Rehabilitation	Police Drug	Industrial Development	General Debt Service	Total
Revenues						
Intergovernmental	\$ 136,568	\$ 463,008	\$ -	\$ -	\$ 479,587	\$ 1,079,163
Fines and forfeits	-	-	2,700	-	-	2,700
Other revenues	-	-	-	269	-	269
Total revenue	136,568	463,008	2,700	269	479,587	1,082,132
Expenditures						
Public safety - Police	-	-	10,152	-	-	10,152
Streets	141,831	-	-	-	-	141,831
Community assistance	-	463,008	-	-	-	463,008
Capital outlay	39,000	-	76,788	-	-	115,788
Debt service	-	-	-	-	423,380	423,380
Total expenditures	180,831	463,008	86,940	-	423,380	1,154,159
Net change in fund balances	(44,263)	-	(84,240)	269	56,207	(72,027)
Fund balances, beginning	112,940	4,963	95,004	427,434	443,693	1,084,034
Fund balances, ending	\$ 68,677	\$ 4,963	\$ 10,764	\$ 427,703	\$ 499,900	\$ 1,012,007

**TOWN OF LIVINGSTON, TENNESSEE**

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

**For the Fiscal Year Ended June 30, 2024**

	Budgeted Amounts		Actual	Variance -
	Original	Final	Amounts	Favorable/ (Unfavorable)
Revenue				
Intergovernmental				
Gasoline & motor fuel tax	\$ 82,000	\$ 70,500	\$ 70,064	\$ (436)
Gas 3 cents	25,000	20,000	20,226	226
Gas 1989	24,000	10,800	10,954	154
Gas 2017	28,000	35,000	35,324	324
Total intergovernmental	159,000	136,300	136,568	268
Total revenues	159,000	136,300	136,568	268
Expenditures				
Current:				
Streets				
Hourly wages	72,000	69,000	73,696	(4,696)
Payroll tax	5,427	5,427	5,026	401
Employee insurance	5,000	8,000	8,992	(992)
Retirement - employer	2,500	4,500	4,451	49
Unemployment Insurance	-	100	21	79
Architects and engineers	1,000	-	-	-
Vehicle repair	1,500	2,000	1,490	510
Equipment repair	9,000	9,000	2,609	6,391
Materials & supplies	35,000	38,500	34,892	3,608
Gasoline & oil	10,000	10,500	9,610	890
Miscellaneous	2,500	500	-	500
Insurance and bonding	5,000	2,000	-	2,000
Vehicles	12,000	1,100	1,044	56
Total	160,927	150,627	141,831	8,796
Capital outlay	-	39,000	39,000	-
Total expenditures	160,927	189,627	180,831	8,796
Net change in fund balances	(1,927)	(53,327)	(44,263)	9,064
Fund balances, beginning	134,835	115,487	112,940	(2,547)
Changes in reserves for inventory accounts	1,500	-	-	-
Fund balances, ending	\$ 134,408	\$ 62,160	\$ 68,677	\$ 6,517

**TOWN OF LIVINGSTON, TENNESSEE**

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

**For the Fiscal Year Ended June 30, 2024**

	Budgeted Amounts		Actual	Variance -
	Original	Final	Amounts	Favorable/ (Unfavorable)
<u>Revenue</u>				
Intergovernmental				
Grants	\$ 500,000	\$ 500,000	\$ 463,008	\$ (36,992)
Total intergovernmental	500,000	500,000	463,008	(36,992)
<u>Expenditures</u>				
Current:				
Community assistance				
Consultant's services	30,000	30,000	-	30,000
Rehab project repairs	470,000	470,000	463,008	6,992
Total expenditures	500,000	500,000	463,008	36,992
Net change in fund balances	-	-	-	-
Fund balances, beginning	4,963	4,963	4,963	-
Fund balances, ending	\$ 4,963	\$ 4,963	\$ 4,963	\$ -

**TOWN OF LIVINGSTON, TENNESSEE**

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

**For the Fiscal Year Ended June 30, 2024**

	Budgeted Amounts		Actual	Variance -
	Original	Final	Amounts	Favorable/ (Unfavorable)
<u>Revenue</u>				
Fines and forfeits				
Drug fines and fees	\$ 8,000	\$ 1,500	\$ 2,700	\$ 1,200
Total revenues	8,000	1,500	2,700	1,200
<u>Expenditures</u>				
Current:				
Public Safety				
Materials & supplies	-	5,000	4,152	848
Drug investigation	10,000	10,000	6,000	4,000
National Night Out	6,000	-	-	-
Drug awareness	4,000	-	-	-
Total	20,000	15,000	10,152	4,848
Capital outlay	-	76,800	76,788	12
Total expenditures	20,000	91,800	86,940	4,860
Net change in fund balances	(12,000)	(90,300)	(84,240)	6,060
Fund balances, beginning	102,835	95,004	95,004	-
Fund balances, ending	\$ 90,835	\$ 4,704	\$ 10,764	\$ 6,060

**TOWN OF LIVINGSTON, TENNESSEE**

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

**For the Fiscal Year Ended June 30, 2024**

	Budgeted Amounts		Actual Amounts	Variance - Favorable/ (Unfavorable)
	Original	Final		
Revenues				
Other revenues				
Interest income	\$ 2,000	\$ 1,000	\$ 268	\$ (732)
Total revenues	2,000	1,000	268	(732)
Net change in fund balances	2,000	1,000	268	(732)
Fund balances, beginning	425,242	427,434	427,434	0
Fund balances, ending	\$ 427,242	\$ 428,434	\$ 427,702	\$ (732)

**TOWN OF LIVINGSTON, TENNESSEE**

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

**For the Fiscal Year Ended June 30, 2024**

	Budgeted Amounts		Actual	Variance -
	Original	Final	Amounts	Favorable/ (Unfavorable)
Revenues				
Intergovernmental				
State Sales Tax	\$ 430,000	\$ 457,200	\$ 479,587	\$ 22,387
Total revenues	430,000	457,200	479,587	22,387
Expenditures				
Miscellaneous expense	500	500	-	500
Principal on bonds				
Chamber of Comm. bldg bond #97-31	5,539	5,539	5,545	(6)
Principal on notes				
Paving	92,000	92,000	92,000	-
Downtown park	135,000	135,000	135,000	-
Paving #2	49,000	49,000	49,000	-
Paving #3	93,000	93,000	93,000	-
Interest on bonds				
Chamber of Comm. bldg bond #97-31	5,067	5,067	5,062	5
Interest on notes				
Paving	700	7,100	6,991	109
Downtown park	3,500	3,500	3,456	44
Paving #2	11,600	11,800	11,612	188
Paving #3	21,800	21,800	21,714	86
Total expenditures	417,706	424,306	423,380	926
Net change in fund balances	12,294	32,894	56,207	23,313
Fund balances, beginning	407,614	443,693	443,693	-
Fund balances, ending	\$ 419,908	\$ 476,587	\$ 499,900	\$ 23,313

## FINANCIAL SCHEDULES

**TOWN OF LIVINGSTON, TENNESSEE**

**Capital Assets Used in the Operation of Governmental Funds**

**Schedule By Function and Activity**

**June 30, 2024**

			Improvements				
	Land	Buildings	Other than Buildings	Equipment	Infrastructure	Total	
General government	\$ 17,000	\$ 589,087	\$ 160,855	\$ 120,449	\$ 95,974	\$	983,365
Public safety							
Police	-	254,981	20,200	1,087,603	-		1,362,784
Fire	8,700	254,981	-	1,691,614	-		1,955,295
Streets	-	10,000	-	684,204	4,653,596		5,347,800
Recreation	136,603	-	2,099,804	475,262	-		2,711,669
Airport	797,930	208,287	7,008,337	138,300	-		8,152,854
Sanitation	-	-	-	449,074	-		449,074
Industrial development	250,000	-	-	-	-		250,000
Total governmental capital assets	\$ 1,210,233	\$ 1,317,336	\$ 9,289,196	\$ 4,646,506	\$ 4,749,570	\$	21,212,841



**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, 2024**

	Beginning Balance	Additions	Deletions	Ending Balance
General government	\$ 967,485	\$ 15,880	\$ -	\$ 983,365
Public safety				
Police	1,195,993	166,791	-	1,362,784
Fire	1,955,295	-	-	1,955,295
Streets	5,301,300	46,500	-	5,347,800
Recreation	2,657,336	54,333	-	2,711,669
Airport	7,834,133	318,721	-	8,152,854
Sanitation	302,730	200,727	54,383	449,074
Industrial development	250,000	-	-	250,000
Total governmental capital assets	\$ 20,464,272	\$ 802,952	\$ 54,383	\$ 21,212,841

**TOWN OF LIVINGSTON, TENNESSEE**

**Schedule of Changes in Property Tax Receivable**

**For the Fiscal Year Ended June 30, 2024**

Year of Levy	Rate	Total Assessment	Levy	Balance June 30, 2023	Taxes Levied	Adjustments	Collections	Balance June 30, 2024
2024	\$ 1.8087	\$ 107,104,914	\$ 1,937,207	\$ -	\$ 1,937,207	\$ -	\$ -	\$ 1,937,207
2023	1.7187	108,648,870	1,867,349	1,867,349	-	(3,976)	1,800,864	62,509
2022	1.6087	102,754,358	1,653,010	107,353	-	(8,920)	96,029	2,405
2021	1.5587	102,054,511	1,590,724	6,296	-	(2,405)	2,877	1,015
2020	1.5087	99,051,654	1,494,393	6,823	-	-	1,732	5,091
2019	1.4503	84,108,267	1,219,822	7,456	-	-	1,071	6,385
2018	1.4503	83,051,552	1,204,497	566	-	-	195	371
2017	1.4503	81,678,658	1,184,586	320	-	-	85	235
2016	1.4503	83,835,837	1,215,872	639	-	-	317	322
2015	1.2603	80,168,665	1,010,367	414	-	-	25	389
2014	1.2436	79,100,124	983,690	86	-	-	-	86
2013	1.2436	78,637,230	977,933	51	-	-	-	51
		\$ 1,997,353	\$ 1,937,207	\$ (15,300)	\$ 1,903,195	\$ 2,016,065		

**TOWN OF LIVINGSTON, TENNESSEE**

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

**For the Fiscal Year Ended June 30, 2024**

<u>Tax Year</u>	<u>Delinquent Beginning</u>	<u>Collections</u>	<u>Correction to Prior Year</u>	<u>Turned Over to Clerk &amp; Master</u>	<u>Delinquent Ending</u>
2013	\$ 51	\$ -	\$ -	\$ -	\$ 51
2014	86	-	-	-	86
2015	414	25	-	-	389
2016	639	317	-	-	322
2017	320	85	-	-	235
2018	566	195	-	-	371
2019	7,456	1,071	-	-	6,385
2020	6,823	1,732	-	-	5,091
2021	6,296	2,877	-	-	3,419
2022	-	3,316	-	8,125 *	4,809
Total	\$ 22,650	\$ 9,618	\$ -	\$ 8,125	\$ 21,158

\* Turned over to Overton County Clerk & Master on April 1, 2024

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

**TOWN OF LIVINGSTON, TENNESSEE**  
**Schedule of Changes in All Long-Term Notes and Bonds**  
**For the Fiscal Year Ended June 30, 2024**

Description of Debt	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding Beginning	Correction From Prior Year	Issued During Period	Paid, Matured and/or Forgiven During Period	Outstanding Ending
<b>Notes payable</b>									
Payable through General Debt Service Fund									
Capital Outlay Note - Series 2013 (Paving)	\$ 1,000,000	2.95	10/30/13	11/1/25	\$ 283,000	\$ -	\$ -	\$ 92,000	\$ 191,000
Capital Outlay Note - Series 2015 (Downtown Park)	1,100,000	2.56	6/16/15	6/1/24	135,000	-	-	135,000	-
Capital Outlay Note - Series 2018 (Paving #2)	500,000	3.89	10/1/18	10/1/28	323,000	-	-	49,000	274,000
Capital Outlay Note - Series 2020 (Paving #3)	1,000,000	2.80	9/16/20	8/1/30	822,000	-	-	93,000	729,000
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	263,740	-	-	81,948	181,792
State of TN - Drinking Water Revolving Fund 04-059	5,570,000	1.51	9/28/05	11/1/28	1,699,982	-	-	299,568	1,400,414
State of TN - Drinking Water Revolving Fund 14-144	520,000	1.64	3/26/14	8/1/35	338,087	-	-	25,284	312,803
State of TN - Drinking Water Revolving Fund 14-146	450,000	1.64	2/26/15	11/26/35	297,829	-	-	21,480	276,349
Water System Revenue & Tax Capital Outlay Note, Series 2019	1,800,000	3.82	4/4/19	4/1/29	1,160,000	-	-	176,000	984,000
Total notes payable					\$ 5,322,638	\$ -	\$ -	\$ 973,280	\$ 4,349,358
<b>General bonded debt</b>									
Payable through General Debt Service Fund									
FHA 97-31	\$ 185,000	4.75	10/29/98	10/29/36	\$ 106,566	\$ -	\$ -	\$ 5,545	\$ 101,021
Total payable through General Debt Service Fund					106,566	-	-	5,545	101,021
Payable through Water & Sewer Fund									
TML Local Government Loan Program Bond, Series 2016	3,000,000	2.50	12/28/16	12/28/41	2,439,000	-	-	102,000	2,337,000
TML Local Government Loan Program Bond, Series 2020	1,700,000	2.99	2/26/20	2/26/40	1,469,518	-	-	69,000	1,400,518
TML Local Government Loan Program Bond, Series 2021	4,558,635	2.05	11/30/21	12/1/33	4,195,000	-	-	365,000	3,830,000
Total payable through Water & Sewer Fund					8,103,518	-	-	536,000	7,567,518
Total bonded debt					\$ 8,210,084	\$ -	\$ -	\$ 541,545	\$ 7,668,539
<b>Other debt</b>									
Governmental Activities									
Payable through General Fund									
Other Vehicle	\$ 20,177	3.00	3/1/2021	2/1/2025	\$ -	\$ 8,680	\$ -	\$ 5,156	\$ 3,524
Other Vehicle	39,031	3.00	6/1/2021	5/1/2026	-	23,417	-	7,799	15,618
Other Vehicle	23,713	3.00	12/1/2020	11/1/2025	-	11,875	-	4,810	7,065
Other Vehicle	23,713	3.00	12/1/2020	11/1/2025	-	11,875	-	4,810	7,065
Other Vehicle	23,713	3.00	12/1/2020	11/1/2025	-	11,875	-	4,810	7,065
Other Vehicle	23,713	3.00	12/1/2020	11/1/2025	-	11,875	-	4,810	7,065
Other Vehicle	20,038	3.00	12/1/2020	11/1/2025	-	10,035	-	4,064	5,971
Other Vehicle	36,794	3.00	3/1/2021	2/1/2026	-	20,257	-	7,407	12,850
Total payable through General Fund					\$ -	\$ 109,889	\$ -	\$ 43,666	\$ 66,223
Business-type Activities									
Payable through Water & Sewer Fund									
Other Vehicle	\$ 26,531	3.00	12/1/2020	11/1/2025	\$ -	\$ 13,286	\$ -	\$ 5,381	\$ 7,905
Other Vehicle	26,531	3.00	12/1/2020	11/1/2025	-	13,286	-	5,381	7,905
Other Vehicle	26,531	3.00	12/1/2020	11/1/2025	-	13,286	-	5,381	7,905
Other Vehicle	33,575	3.00	2/1/2021	1/1/2026	-	17,373	-	6,793	10,580
Other Vehicle	36,793	3.00	3/1/2021	2/1/2026	-	20,256	-	7,407	12,849
Other Vehicle	37,071	3.00	4/1/2021	3/1/2026	-	21,021	-	7,445	13,576
Other Vehicle	37,265	3.00	4/1/2021	3/1/2026	-	21,132	-	7,484	13,648
Total payable through Water & Sewer Fund					-	119,640	-	45,272	74,368
Payable through Natural Gas Fund									
Other Vehicle	\$ 39,031	3.00	6/1/2021	5/1/2026	\$ -	\$ 23,417	\$ -	\$ 7,799	\$ 15,618
Other Vehicle	33,686	3.00	2/1/2021	1/1/2026	-	17,989	-	6,799	11,190
Other Vehicle	33,612	3.00	2/1/2021	1/1/2026	-	17,950	-	6,784	11,166
Total payable through Natural Gas Fund					-	59,356	-	21,382	37,974
					\$ -	\$ 178,996	\$ -	\$ 66,654	\$ 112,342

**TOWN OF LIVINGSTON, TENNESSEE**

**Schedule of Maturities of Indebtedness and Interest Requirements**

**General Obligation**

**June 30, 2024**

Fiscal Year Ending June 30,	Bond Issue FmHA 97-31	Note Issues				Other Debt		Principal	Interest	Total
		Paving	Capital Outlay Series 2018	Capital Outlay Series 2020	Other Vehicles					
2025	\$ 5,802	\$ 94,000	\$ 51,000	\$ 96,000	\$ 43,205	\$ 290,007	\$ 39,165	\$ 329,172		
2026	6,078	97,000	52,000	98,000	23,018	276,096	30,224	306,320		
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	10,001	-	-	-	-	10,001	605	10,606		
Total	\$ 101,021	\$ 191,000	\$ 274,000	\$ 729,000	\$ 66,223	\$ 1,361,244	\$ 145,334	\$ 1,506,578		

**TOWN OF LIVINGSTON, TENNESSEE**  
**Schedule of Maturities of Indebtedness and Interest Requirements**  
**Water & Sewer Fund**

**June 30, 2024**

Year Ending June 30,	Bond Issues				Note Issues				Other Debt		Total		
	Local Govt 2016 Loan Program	Local Govt 2020 Loan Program	Local Govt 2021 Refunding	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	Other Vehicles			
2025	\$ 104,000	\$ 71,000	\$ 375,000	\$ 375,000	\$ 83,429	\$ 303,740	\$ 26,039	\$ 22,489	\$ 182,000	\$ 46,650	\$ 1,214,347	\$ 245,047	\$ 1,459,394
2026	107,000	73,000	385,000	385,000	85,079	308,358	26,469	22,861	189,000	27,718	1,224,485	217,155	1,441,640
2027	110,000	76,000	400,000	400,000	13,284	313,046	26,906	23,239	197,000	-	1,159,475	190,031	1,349,506
2028	113,000	78,000	355,000	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	365,000	-	157,475	27,803	24,013	212,000	-	981,291	138,565	1,119,856
2030	118,000	83,000	385,000	385,000	-	-	28,262	24,410	-	-	638,672	115,912	754,584
2031	121,000	85,000	400,000	400,000	-	-	28,729	24,813	-	-	659,542	101,527	761,069
2032	124,000	88,000	415,000	415,000	-	-	29,199	25,219	-	-	681,418	86,693	768,111
2033	127,000	90,000	435,000	435,000	-	-	29,686	25,640	-	-	707,326	71,304	778,630
2034	130,000	93,000	315,000	315,000	-	-	30,177	26,064	-	-	594,241	56,798	651,039
2035	134,000	96,000	-	-	-	-	32,192	26,494	-	-	288,686	46,560	335,246
2036	137,000	99,000	-	-	-	-	-	7,493	-	-	243,493	39,780	283,273
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	\$ 2,337,000	\$ 1,400,518	\$ 3,830,000	\$ 3,830,000	\$ 181,792	\$ 1,400,414	\$ 312,803	\$ 276,349	\$ 984,000	\$ 74,368	\$ 10,797,244	\$ 1,574,602	\$ 12,371,846

**TOWN OF LIVINGSTON, TENNESSEE**

**Schedule of Maturities of Indebtedness and Interest Requirements**

**Natural Gas Fund**

**June 30, 2024**

Year Ending June 30,	Other Debt		
	Other Vehicles		Total
	Principal	Interest	
2025	\$ 22,031	\$ 838	\$ 22,869
2026	15,943	198	16,141
Total	\$ 37,974	\$ 1,036	\$ 39,010

**TOWN OF LIVINGSTON, TENNESSEE**

**Schedule of Expenditures of Federal Awards and State Financial Assistance**

**For the Fiscal Year Ended June 30, 2024**

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	21.027	N/A	\$ -	\$ 36,000
Appalachian Regional Commission	Community Facility Projects	23.002	N/A	-	148,983
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	-	29,352
Department of Housing and Urban Development					
Tennessee Housing and Development Agency	Home Investment Partnerships Program	14.239	N/A	-	463,008
Federal Aviation Administration					
Tennessee Department of Transportation	Airport Land Acquisition	20.106	3-47-SBGGP-54,59,64	-	100,037
Total federal awards					777,380
<u>State Financial Assistance</u>					
Tennessee Department of Transportation	Airport Layout Plan		67-0537-20	-	7,747
"	Airport General Maintenance		67-0147-23	-	41,852
"	Reconstruct Airport Fuel Farm - Design		67-0748-23	-	45,176
"	Airport General Maintenance		67-0749-24	-	4,658
Tennessee Department of Commerce & Insurance	Volunteer Firefighter Equipment and Training Grant		N/A	-	68,940
Tennessee Department of Safety	SRO		N/A	-	225,000
"	Fire		Z23THS158	-	4,389
"	Fire		Z24THS165	-	1,749
"	TN Law Enforcement Training Academy		N/A	-	12,000
Various	Other State Grants		N/A	-	2,568
Total state awards					414,079
Total federal awards and state financial assistance					\$ 1,191,459



## **TOWN OF LIVINGSTON, TENNESSEE**

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

**For the Year Ended June 30, 2024**

#### **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, 2024. 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, 2024 consisted of the following:

<u>Federal Loan</u>	<u>Ending Balance</u>
Chamber of Commerce Building	\$ 101,021
Water System Improvements	2,337,000
Sewer System Improvements	1,400,518
Refunding Bonds – Series 2021	<u>3,830,000</u>
	<u>\$7,668,539</u>

**TOWN OF LIVINGSTON, TENNESSEE**

**Schedule of Operating Transfers**

**For the Fiscal Year Ended June 30, 2024**

From Fund	To Fund	Purpose	Amount
Water & Sewer	General	In lieu of taxes	\$ 34,000
Natural Gas	General	In lieu of taxes	22,000
			<u>\$ 56,000</u>

## OTHER INFORMATION

**TOWN OF LIVINGSTON, TENNESSEE**

**Schedule of Enterprise Utility Rates in Force**

**For the Fiscal Year Ended June 30, 2024**

**WATER & SEWER**

	Gallons	Rate In Effect June 30, 2024
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: 5,222

Sewer: 1,753

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, 2024 (rates change monthly)

Number of customers at year end: 1,618

## 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, 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, 2024, 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 August 20, 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 a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2024-001 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 no instances of noncompliance or other matter that are required to be reported under *Government Auditing Standards*.

### **Town of Livingston, Tennessee's Response to Finding**

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

### **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 & Hill". The signature is written in a cursive, flowing style.

August 20, 2025

TOWN OF LIVINGSTON, TENNESSEE

**SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS**

Year Ended June 30, 2024

Financial Statement Findings

<u>Finding Number</u>	<u>Finding Title</u>	<u>Status</u>
2023-001	Budget overspending (original finding No. 2022-001)	Corrected
2023-002	Accounts receivable (original finding No. 2023-002)	Repeated/ 2024-001



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, 2024. 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, 2024.

***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 script is cursive and fluid, with the ampersand clearly visible between the two names.

August 20, 2025

TOWN OF LIVINGSTON, TENNESSEE

**FINDINGS AND QUESTIONED COSTS**

Year Ended June 30, 2024

**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 reported.
3. No instances of noncompliance material to the financial statements was reported.
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>
Home Investment Partnership Program	14.239

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, 2024

**FINANCIAL STATEMENT FINDINGS**

**Finding Number 2024-001 – Accounts receivable** (uncorrected from prior year)

*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



### **MANAGEMENT'S CORRECTIVE ACTION PLAN**

Town of Livingston, Tennessee submits the following corrective action plan for the year ended June 30, 2024. The finding from the June 30, 2024 schedule of findings and questioned costs are discussed below.

#### Finding Number 2024-001 – 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