

TOWN OF LIVINGSTON
FINANCIAL STATEMENTS
DECEMBER 31, 2023

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INDEPENDENT AUDITOR’S REPORT

To the Honorable Jonathan “JT” Taylor
and Board of Aldermen
Town of Livingston, Louisiana

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the Town of Livingston, Louisiana, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Town of Livingston, Louisiana’s basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the Town of Livingston, Louisiana as of , and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of Livingston, Louisiana's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, the Schedule of the Town's Proportionate Share of Net Pension Liability, and the Schedule of the Town's Contributions be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

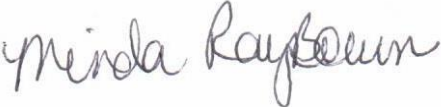
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Livingston, Louisiana's basic financial statements. The individual fund statements, statistical sections, schedule of insurance, schedule of compensation paid to board members, schedule of compensation, benefits, and other payments to the agency head, and the justice system funding schedule-collecting/disbursing entity are presented for purposes of additional analysis and are not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the individual fund statements, statistical sections, schedule of insurance, schedule of compensation paid to board members, schedule of compensation, benefits, and other payments to the agency head, and the justice system funding schedule-

collecting/disbursing entity are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued my report dated June 10, 2024 on our consideration of the Town of Livingston, Louisiana’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Town of Livingston’s internal control over financial reporting and compliance.



Minda Raybourn, CPA
Franklinton, LA
June 10, 2024

REQUIRED SUPPLEMENTARY INFORMATION (PART I)
MANAGEMENT'S DISCUSSION AND ANALYSIS

TOWN OF LIVINGSTON

MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2023

Introduction

The Town of Livingston (the Town) is pleased to present its Financial Statements for the year ended December 31, 2023 developed in compliance with Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements - Management's Discussion and Analysis - For State and Local Governments* (GASB 34), as amended, and with current standards as more fully described in Note 1 – *Summary of Significant Accounting Policies*.

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

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

Financial Highlights

- At December 31, 2023, the Town's assets exceeded its liabilities by \$12,194,913 (net position). Of this amount, \$2,203,040 (unrestricted net position) may be used to meet the Town's ongoing obligations to its citizens.
- For the year ended December 31, 2023, the Town's total net position increased by \$403,456.
- At December 31, 2023, the Town's sole governmental fund (the General Fund) reported ending fund balances of \$1,613,767, an increase of \$117,787 for the year. Of this amount, \$1,581,723 is unassigned.
- At December 31, 2023, the Town's sole proprietary fund (the Enterprise Fund) reported ending net position of \$8,952,929, an increase of \$38,902 for the year. Of this amount, \$1,499,816 or 17% is available for spending at the Town's discretion (unrestricted net position).

Overview of the Annual Financial Report

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

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

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the Town's finances in a manner similar to a private-sector business. Governmental activities, which normally are supported by taxes and intergovernmental revenues, and business-type activities, which rely to a significant extent on fees and charges for support are presented in separate columns along with a total column for the primary government. If the Town determines that presentation of a component unit is necessary to allow the reader to determine the relationship of the component unit and primary government, the component unit information is presented in a separate column of the financial statements or in a separate footnote. Component unit information is presented separately in the notes to the financial statements. The town has no component units at December 31, 2023.

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

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

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

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

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

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

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related and legal requirements. The Town uses two categories of funds to account for financial transactions: governmental funds and proprietary funds. Traditional users of governmental financial statements will find the fund financial statements presentation more familiar.

Governmental funds are used to account for most of the Town's basic services. However, unlike the government-wide financial statements, governmental fund financial statements focus on how money flows into and out of those funds and the balances that are left at year-end that are available for spending. These funds are reported using the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Town's general government operations and the basic services it provides. Governmental fund

information helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance the Town's programs.

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

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

Notes to the Financial Statements

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

Government-Wide Financial Analysis

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

	Net Position					
	2023 and 2022					
	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Assets:						
Current and Other Assets	\$ 1,765,151	\$ 1,660,627	\$ 6,512,370	\$ 5,427,423	\$ 8,277,521	\$ 7,088,050
Capital Assets	2,634,649	2,320,368	14,292,575	14,666,797	16,927,224	16,987,165
Total Assets	<u>4,399,800</u>	<u>3,980,995</u>	<u>20,804,945</u>	<u>20,094,220</u>	<u>25,204,745</u>	<u>24,075,215</u>
Deferred Outflows of Resources						
Pension Related	382,293	449,546	101,820	139,504	484,113	589,050
Advanced Bond Refunding	-	-	567,575	599,854	567,575	599,854
Total Deferred Outflows of Resources	<u>382,293</u>	<u>449,546</u>	<u>669,395</u>	<u>739,358</u>	<u>1,051,688</u>	<u>1,188,904</u>
Liabilities:						
Long-Term Liabilities	1,346,931	1,317,316	11,503,303	10,022,607	12,850,234	11,339,923
Other Liabilities	177,973	182,096	1,011,295	1,884,001	1,189,268	2,066,097
Total Liabilities	<u>1,524,904</u>	<u>1,499,412</u>	<u>12,514,598</u>	<u>11,906,608</u>	<u>14,039,502</u>	<u>13,406,020</u>
Deferred Inflows of Resources						
Pension Related	15,205	53,699	6,813	12,943	22,018	66,642
Total Deferred Inflows of Resources	<u>15,205</u>	<u>53,699</u>	<u>6,813</u>	<u>12,943</u>	<u>22,018</u>	<u>66,642</u>
Net Position:						
Net Investment in Capital Assets	2,538,760	2,258,200	5,449,392	5,358,668	7,988,152	7,616,868
Restricted	-	-	2,003,721	257,050	2,003,721	257,050
Unrestricted	703,224	619,230	1,499,816	3,298,309	2,203,040	3,917,539
Total Net Position	<u>\$ 3,241,984</u>	<u>\$ 2,877,430</u>	<u>\$ 8,952,929</u>	<u>\$ 8,914,027</u>	<u>\$ 12,194,913</u>	<u>\$ 11,791,457</u>

Approximately 65% of the Town's net position reflects its investment in capital assets (land, buildings, equipment, infrastructure, and improvements) net of any outstanding related debt used to acquire those capital assets. These capital assets are used to provide services to citizens and do not represent resources available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets cannot be used to liquidate these liabilities.

Approximately 16% of the Town's net position represents resources that are subject to external restriction on how they may be used. The Town's restricted net position consists of cash reserves required by revenue bond agreements and cash for customer deposits net of corresponding liabilities.

Approximately 18% percent of the Town's net position is unrestricted and may be used to meet the Town's ongoing obligations to its citizens.

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

The Town's activities increased its total net position by \$403,456, with governments activities increasing net position by \$364,554 and business-type activities increasing net position by \$38,902.

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

Changes in Net Position
For the years ended December 31, 2023 and 2022

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Revenues:						
Program Revenues:						
Charges for Services	\$ 756,610	\$ 767,139	\$ 3,367,599	\$ 3,151,531	\$ 4,124,209	\$ 3,918,670
Operating Grants and Contributions	196,338	1,035,602	133,057	15,925	329,395	1,051,527
Capital Grants and Contributions	132,800	156,138	-	-	132,800	156,138
General Revenues:						
Franchise Taxes	188,913	219,398	-	-	188,913	219,398
Property Taxes	77,266	79,719	-	-	77,266	79,719
Sales Taxes	821,498	775,821	-	-	821,498	775,821
Other Taxes	8,418	9,376	-	-	8,418	9,376
Interest Income	31,742	3,881	181,045	24,545	212,787	28,426
Donations	33,000	8,000	-	-	33,000	8,000
Miscellaneous	3,909	1,201	-	-	3,909	1,201
Gain on Sale of Assets	61,033	3,950	32,665	1,300	93,698	5,250
Total Revenues	<u>2,311,527</u>	<u>3,060,225</u>	<u>3,714,366</u>	<u>3,193,301</u>	<u>6,025,893</u>	<u>6,253,526</u>
Expenses:						
General Government	973,371	985,160	-	-	973,371	985,160
Public Safety - Police Protection	623,589	637,379	-	-	623,589	637,379
Public Safety - Fire Protection	84,148	85,542	-	-	84,148	85,542
Public Works - Streets	295,168	420,869	-	-	295,168	420,869
Sanitation	241,012	257,935	-	-	241,012	257,935
Recreation	350,698	301,586	-	-	350,698	301,586
Lease Interest	5,937	4,279	-	-	5,937	4,279
Gas, Water, and Sewer Utility	-	-	3,048,514	2,693,870	3,048,514	2,693,870
Total Expenses	<u>2,573,923</u>	<u>2,692,750</u>	<u>3,048,514</u>	<u>2,693,870</u>	<u>5,622,437</u>	<u>5,386,620</u>
Change in Net Position Before Transfers and Contributions	(262,396)	367,475	665,852	499,431	403,456	866,906
Transfers (Out) In	626,950	-	(626,950)	-	-	-
Change in Net Position	364,554	367,475	38,902	499,431	403,456	866,906
Net Position, Beginning	<u>2,877,430</u>	<u>2,509,955</u>	<u>8,914,027</u>	<u>8,414,596</u>	<u>11,791,457</u>	<u>10,924,551</u>
Net Position, Ending	<u>\$ 3,241,984</u>	<u>\$ 2,877,430</u>	<u>\$ 8,952,929</u>	<u>\$ 8,914,027</u>	<u>\$ 12,194,913</u>	<u>\$ 11,791,457</u>

Governmental Activities

The Town's governmental net position increased by \$364,554 or approximately 13% of the prior year ending net position of \$2,877,430.

Total Governmental Activities Revenues decreased \$748,698 or approximately 24% from the prior year primarily related to decreases in operating grants in the governmental activities.

Total Governmental Activities Expenses decreased by 4% or \$118,827. Decreases in general government, public safety, public works, and sanitation expenses were partially offset by increases in recreation. General government, public safety, expenses decreased primarily related to a decrease in pension expense while public works decreased primarily related to salaries. Sanitation incurred less collection fees while recreation incurred increased salaries and program costs.

Transfers in from the utility fund subsidizing governmental activities increased \$626,950 in 2023 from \$0 in 2022 to \$626,950 in 2023.

Business-Type Activities

The Town's business-type net position increased by \$38,902 of the prior year ending net position, to \$8,952,929. Before transfers to/from the general fund, business-type net position increased \$166,421.

While revenues of the business-type activities increased and expenses increased in 2023, total net position decreased primarily related to transfers to the general fund. Transfers to the general fund subsidizing governmental activities decreased \$626,950 in 2023 from \$0 in 2022 to \$626,950 in 2023.

Revenues of business type activities increased in 2023 primarily related to increases in charges for services, grants, interest income, and sale of assets.

Business-type activities expenses increased \$354,644 or approximately 13% from prior year. The most significant increases were \$92,958 in depreciation and amortization, \$86,351 in salaries and wages, \$83,090 in bond issuance costs and \$62,055 in interest expense. Other significant increases were noted in employee benefits, insurance, and repairs and maintenance. The increases were partially offset by decreases in various expenses, the most significant of which were the decrease in cost of goods sold of \$131,845 and professional services of \$37,060.

Fund Financial Analysis

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

Governmental Funds

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

At the end of the current year, the Town's sole governmental fund (the General Fund) reported ending fund balances of \$1,613,767, an increase of \$117,787 for 2023 after an increase of \$512,449 in 2022. The unassigned fund balance is \$1,581,723 at year end.

The general fund is the chief operating fund of the Town and the sole governmental fund in 2023.

Proprietary Funds

The Town's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. The town has one property fund in 2023, the Enterprise Fund.

General Fund Budgetary Highlights

The General Fund had no actual expenditures and other uses over budgeted amounts nor any actual revenues and other sources below budget amounts resulting in unfavorable variances greater than five percent in accordance with the Local Government Budget Act for the fiscal year ended December 31, 2023.

Capital Assets and Debt Administration

Capital Assets

The Town's investment in capital assets for its governmental and business-type activities as of December 31, 2023 amounts to \$16,927,224 (net of depreciation and amortization). The total decrease in the Town's investment in capital assets for the current fiscal year before accumulated depreciation and amortization was \$59,941.

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

**Capital Assets (Net of Depreciation)
2023 and 2022**

Capital Assets	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Land	\$ 138,634	\$ 138,634	\$ 88,349	\$ 73,181	\$ 226,983	\$ 211,815
Construction in Progress	472,661	252,544	288,228	268,188	760,889	520,732
Buildings and Improvements	999,681	956,069	359,814	353,512	1,359,495	1,309,581
Parks and Improvements	1,743,207	1,532,196	-	-	1,743,207	1,532,196
Sidewalk Improvements	517,882	517,882	-	-	517,882	517,882
Vehicles	903,747	1,115,597	221,969	228,135	1,125,716	1,343,732
Machinery & Equipment	681,538	716,053	414,132	429,255	1,095,670	1,145,308
Furniture and Fixtures	27,270	27,270	15,665	15,665	42,935	42,935
Computers and Software	54,825	48,535	43,604	37,226	98,429	85,761
Infrastructure	1,068,173	1,068,173	-	-	1,068,173	1,068,173
Gas Utility System	-	-	611,725	605,071	611,725	605,071
Water Utility System	-	-	5,341,310	5,300,763	5,341,310	5,300,763
Sewer Utility System	-	-	15,565,733	15,559,643	15,565,733	15,559,643
Subtotal Capital Assets	6,607,618	6,372,953	22,950,529	22,870,639	29,558,147	29,243,592
Less: Accumulated Depreciation	(4,063,149)	(4,112,050)	(8,820,050)	(8,365,556)	(12,883,199)	(12,477,606)
Lease Assets - Vehicles	125,975	70,962	129,105	84,255	255,080	155,217
Lease Assets - Machinery & Equipment	-	-	81,470	81,470	81,470	81,470
Subtotal Lease Assets	125,975	70,962	210,575	165,725	336,550	236,687
Less: Accumulated Amortization	(35,795)	(11,497)	(48,479)	(4,011)	(84,274)	(15,508)
Capital Assets, Net	\$ 2,634,649	\$ 2,320,368	\$ 14,292,575	\$ 14,666,797	\$ 16,927,224	\$ 16,987,165

During the year ending December 31, 2022, the Town implemented GASB Statement No 87, *Leases*. The result of the implementation was the addition of leases greater than 12 months recorded as a right-of-use asset, categorized as a capital asset, along with a lease liability. The right-of-use asset is amortized using the straight-line method over a period of the shorter of the lease term or the useful life of the asset.

Governmental activities capital assets increased by \$234,665 before depreciation expense of \$234,190 and amortization expense of \$24,298. This increase relates to a new lease agreement and related GASB 87 treatment as well as other capital outlay. The right-of-use assets, lease assets, increased \$55,013 primarily related to the implementation of GASB 87 for the leasing of one new vehicle. Capital assets increased primarily related to \$232,117 in construction in progress for the Old Courthouse Project and \$211,011 primarily related to Circle Drive park new fitness court . The increases were partially offset by the sale of several vehicles.

Capital assets for business-type activities capital assets increased by \$79,890 before depreciation expense of \$564,475 and amortization expense of \$44,468. This increase relates to a new lease agreement and related GASB 87 treatment as well as other capital outlay. The right-of-use assets (lease assets) increased \$44,850 primarily related to the implementation of GASB 87 for the leasing of one new vehicle. Capital assets increased primarily related to purchase of land of \$15,168, construction in progress of \$20,040 incurred for the new water sector program project, \$81,193 in equipment purchases, and \$54,099 in additions to the utility systems. Additional increases in other categories were partially offset by the sale of vehicles and equipment.

Long-Term Obligations

At December 31, 2023, the Town had total debt outstanding of \$11,437,257 as described in the table below. Of this total, \$295,768 is due within one year and \$11,141,489 is due within greater than one year. The following table provides a summary of the Town’s outstanding debt at the end of the current year as compared to the prior year.

Outstanding Debt 2023 and 2022

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Leases	\$ 95,889	\$ 62,168	\$ 169,094	\$ 164,863	\$ 264,983	\$ 227,031
Rev Bonds / Cert of Indebt.	-	-	11,172,274	9,651,971	11,172,274	9,651,971
Total Outstanding Debt	<u>\$ 95,889</u>	<u>\$ 62,168</u>	<u>\$ 11,341,368</u>	<u>\$ 9,816,834</u>	<u>\$ 11,437,257</u>	<u>\$ 9,879,002</u>

Long term debt increased \$1,558,255 primarily related to the issuance of \$1,775,000 Series 2023 Revenue Bonds, partially offset by principal payments on debt. Interest rates for long-term debt range from 2% to 4.5%. For more detailed information, see Note 12 to the financial statements.

Bonds financed for the Town require a specific debt to net income ratio of 125%. As noted in Note 13, the Town met the required ratio for the fiscal year ended December 31, 2023.

At December 31, 2023, the Town also had compensated absences payable of \$13,071 for governmental activities, a decrease of \$240 from the 2022 amount of \$13,311 and compensated absences payable of \$10,893 for business-type activities, an increase of \$3,005 from the 2022 amount of \$7,888.

At December 31, 2023, the Town also has net pension liability of \$1,270,759 for governmental activities, an increase of \$6,642, and net pension liability of \$423,152 for business-type activities, a decrease of \$30,925.

Other Factors Affecting the Town

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

Contacting the Town's Financial Management

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

BASIC FINANCIAL STATEMENTS
GOVERNMENT-WIDE FINANCIAL STATEMENTS

TOWN OF LIVINGSTON
STATEMENT OF NET POSITION
AS OF DECEMBER 31, 2023

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
Assets			
Current Assets:			
Cash and Cash Equivalents	\$ 173,619	\$ 737,958	\$ 911,577
Investments	1,061,542	2,940,665	4,002,207
Receivables, Net:			
Accounts	-	296,686	296,686
Intergovernmental	119,837	31,250	151,087
Other	331	1,500	1,831
Taxes	145,477	-	145,477
Due From Other Funds	232,301	-	232,301
Inventory	-	13,497	13,497
Prepaid Expenses	32,044	23,964	56,008
Total Current Assets	1,765,151	4,045,520	5,810,671
Noncurrent Assets:			
Restricted Assets:			
Restricted Cash and Cash Equivalents	-	2,174,165	2,174,165
Restricted Investments	-	232,708	232,708
Total Restricted Assets	-	2,406,873	2,406,873
Capital Assets:			
Land	138,634	88,349	226,983
Construction in Progress	472,661	288,228	760,889
Capital Assets, Net of Depreciation	1,933,174	13,753,902	15,687,076
Lease Assets, Net of Amortization	90,180	162,096	252,276
Total Capital Assets	2,634,649	14,292,575	16,927,224
Other Assets:			
Unamortized Bond Insurance Costs	-	59,977	59,977
Total Noncurrent Assets	2,634,649	16,759,425	19,394,074
Total Assets	4,399,800	20,804,945	25,204,745
Deferred Outflows of Resources:			
Pension Related	382,293	101,820	484,113
Advanced Bond Refunding	-	567,575	567,575
Total Deferred Outflows of Resources	382,293	669,395	1,051,688
Liabilities			
Current Liabilities:			
Accounts Payable	58,159	73,581	131,740
Other Accrued Payables	87,026	187,258	274,284
Due To Other Funds	-	232,301	232,301
Customer Deposits	-	246,045	246,045
Bonds Payable	-	217,000	217,000
Leases Payable	27,988	50,780	78,768
Compensated Absences Payable	4,800	4,330	9,130
Total Current Liabilities	177,973	1,011,295	1,189,268
Long-Term Liabilities:			
Bonds Payable	-	10,955,274	10,955,274
Leases Payable	67,901	118,314	186,215
Compensated Absences Payable	8,271	6,563	14,834
Net Pension Liability	1,270,759	423,152	1,693,911
Total Long-Term Liabilities	1,346,931	11,503,303	12,850,234
Total Liabilities	1,524,904	12,514,598	14,039,502
Deferred Inflows of Resources:			
Pension Related	15,205	6,813	22,018
Total Deferred Inflows of Resources	15,205	6,813	22,018
Net Position			
Net Investment in Capital Assets	2,538,760	5,449,392	7,988,152
Restricted for:			
Capital Projects and Debt Service	-	2,003,721	2,003,721
Unrestricted	703,224	1,499,816	2,203,040
Total Net Position	\$ 3,241,984	\$ 8,952,929	\$ 12,194,913

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

TOWN OF LIVINGSTON
STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2023

	Program Revenues			
	Expenses	Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions
Primary Government				
Governmental Activities				
General Government	\$ 973,371	\$ 228,500	\$ 29,422	\$ 121,097
Public Safety - Police Protection	623,589	101,891	64,892	-
Public Safety - Fire Protection	84,148	-	72,024	-
Public Works - Streets	295,168	-	-	-
Sanitation	241,012	271,104	-	-
Recreation	350,698	155,115	30,000	11,703
Lease Interest	5,937	-	-	-
Total Governmental Activities	2,573,923	756,610	196,338	132,800
Business-type Activities				
Gas	611,504	615,321	5,492	-
Water	915,352	1,437,425	38,573	-
Sewer	1,521,658	1,314,853	88,992	-
Total Business-type Activities	3,048,514	3,367,599	133,057	-
Total All Activities	\$ 5,622,437	\$ 4,124,209	\$ 329,395	\$ 132,800
General Revenues:				
Taxes:				
Franchise Taxes				
Property Taxes				
Sales and Use Taxes				
Other Taxes				
Interest Income				
Donations				
Gain on Sale of Assets				
Miscellaneous				
Operating Transfers In (Out)				
Total General Revenues and Transfers				
Change in Net Position				
Net Position - Beginning				
Net Position - Ending				

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

Statement B

**Net (Expenses) Revenues and
Changes in Net Position
of the Primary Government**

Governmental Activities	Business-Type Activities	Total
\$ (594,352)	\$ -	\$ (594,352)
(456,806)	-	(456,806)
(12,124)	-	(12,124)
(295,168)	-	(295,168)
30,092	-	30,092
(153,880)	-	(153,880)
(5,937)	-	(5,937)
(1,488,175)	-	(1,488,175)
-	9,309	9,309
-	560,646	560,646
-	(117,813)	(117,813)
-	452,142	452,142
(1,488,175)	452,142	(1,036,033)
188,913	-	188,913
77,266	-	77,266
821,498	-	821,498
8,418	-	8,418
31,742	181,045	212,787
33,000	-	33,000
61,033	32,665	93,698
3,909	-	3,909
626,950	(626,950)	-
1,852,729	(413,240)	1,439,489
364,554	38,902	403,456
2,877,430	8,914,027	11,791,457
\$ 3,241,984	\$ 8,952,929	\$ 12,194,913

BASIC FINANCIAL STATEMENTS
FUND FINANCIAL STATEMENTS

TOWN OF LIVINGSTON

BALANCE SHEET, GOVERNMENTAL FUNDS

AS OF DECEMBER 31, 2023

	<u>General Fund</u>
Assets	
Cash and Equivalents	\$ 173,619
Investments	1,061,542
Receivables, Net:	
Intergovernmental	119,837
Other	331
Taxes	145,477
Due from Other Funds	232,301
Prepaid Insurance	32,044
Total Assets	<u>\$ 1,765,151</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	
Liabilities:	
Accounts Payable	\$ 58,159
Other Accrued Payables	86,455
Total Liabilities	<u>144,614</u>
Deferred Inflows of Resources:	
Ad Valorem Taxes - Unavailable	6,770
Total Deferred Inflows of Resources	<u>6,770</u>
Fund Balances:	
Nonspendable	32,044
Restricted	-
Unassigned	1,581,723
Total Fund Balances	<u>1,613,767</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 1,765,151</u>

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

TOWN OF LIVINGSTON

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE GOVERNMENT-WIDE FINANCIAL STATEMENT OF NET POSITION

AS OF DECEMBER 31, 2023

Fund Balances, Total Governmental Funds (Statement C)	\$	1,613,767
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Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not financial resources and are therefore not reported in the governmental funds.

Governmental capital assets net of depreciation		2,544,469
Governmental lease assets net of amortization		90,180

Some liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.

Leases Payable		(95,889)
Compensated Absences Payable		(13,071)
Net Pension Liability		(1,270,759)
Accrued Interest on Leases		(571)

Deferred outflows of resources and deferred inflows of resources are not reported in the governmental funds:

Deferred Outflows of Resources		382,293
Deferred Inflows of Resources		(15,205)

Certain revenues were collected after year-end, but not available soon enough to pay for current expenditures, and therefore, are reported as deferred inflows of resources in the governmental funds.

Ad Valorem Taxes		6,770
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Net Position of Governmental Activities (Statement A)	\$	3,241,984
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The accompanying notes are an integral part of these financial statements.

TOWN OF LIVINGSTON

STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>General Fund</u>
Revenues:	
Taxes	\$ 1,086,155
Licenses and Permits	228,500
Sanitation Fees	271,104
Parks and Recreation	185,115
Fines and Forfeitures	100,858
Intergovernmental - State Grants	114,703
Intergovernmental - Federal Grants	38,459
Intergovernmental - Other	121,460
Interest	31,742
Donations	33,000
Miscellaneous	5,002
Total Revenues	<u>2,216,098</u>
Expenditures:	
General Government	947,293
Public Safety:	
Police	517,340
Fire	54,030
Streets	223,554
Sanitation	241,012
Recreation	258,334
Capital Outlays	572,669
Debt Service:	
Lease Principal	21,292
Lease Interest	5,783
Total Expenditures	<u>2,841,307</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(625,209)</u>
Other Financing Sources (Uses):	
Operating Transfers In	626,950
Sale of Fixed Assets	61,033
Lease Proceeds	55,013
Total Other Financing Sources (Uses)	<u>742,996</u>
Net Change in Fund Balances	<u>117,787</u>
Fund Balances, Beginning	<u>1,495,980</u>
Fund Balances, Ending	<u>\$ 1,613,767</u>

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

TOWN OF LIVINGSTON

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2023

Net Change in Fund Balances, Total Governmental Funds (Statement E) \$ 117,787

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

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

Capital Outlay expenditures for capital assets	\$	517,656	
Capital Outlay expenditures for lease assets		55,013	
Donated Capital Assets		-	
Less:			
Current year depreciation - capital assets		(234,090)	
Current year amortization - lease assets		(24,298)	
		314,281	314,281

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

Proceeds from leases		(55,013)	
Principal payments - leases		21,292	(33,721)

Some expenses in the Statement of Activities do not require the use of current financial resources and, therefore, are not recorded as expenditures in the governmental funds.

Change in accrued interest			(154)
Change in compensated absences			240
Pension expense			(68,275)

Some revenues in the Statement of Activities do not provide current financial resources and are not reported as revenues in the governmental funds.

Non-employer contributions to cost-sharing pension plan			32,874
Deferred inflows of resources for ad valorem taxes collected after year end, but not available soon enough to pay for current expenditures changed by the following amount.			1,522

Change in Net Position of Governmental Activities (Statement B) \$ 364,554

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

TOWN OF LIVINGSTON
STATEMENT OF NET POSITION - PROPRIETARY FUNDS
AS OF DECEMBER 31, 2023

Statement G

	<u>Enterprise Fund</u>
Assets	
Current Assets:	
Cash and Cash Equivalents	\$ 737,958
Investments	2,940,665
Receivables, Net:	
Accounts	296,686
Other	1,500
Due from Other Governments	31,250
Inventory - Natural Gas	13,497
Prepaid Expenses	23,964
Total Current Assets	<u>4,045,520</u>
Noncurrent Assets:	
Restricted Assets:	
Restricted Cash and Cash Equivalents	2,174,165
Restricted Investments	232,708
Total Restricted Assets	<u>2,406,873</u>
Property, Plant, and Equipment:	
Construction in Progress	288,228
Property, Plant and Equipment, Net	13,842,251
Lease Assets, Net	162,096
Total Property, Plant, and Equipment	<u>14,292,575</u>
Other Assets:	
Unamortized Bond Insurance Costs	59,977
Total Noncurrent Assets	<u>16,759,425</u>
Total Assets	<u>20,804,945</u>
Deferred Outflows of Resources	
Pension Related	101,820
Advanced Bond Refunding	567,575
Total Deferred Outflows of Resources	<u>669,395</u>
Liabilities	
Current Liabilities:	
Accounts Payable	73,581
Other Accrued Payables	187,258
Due To General Fund	232,301
Customer Deposits	246,045
Bonds Payable	217,000
Lease Payable	50,780
Compensated Absences Payable	4,330
Total Current Liabilities	<u>1,011,295</u>
Long-Term Liabilities:	
Bonds Payable	10,955,274
Leases Payable	118,314
Net Pension Liability	423,152
Compensated Absences Payable	6,563
Total Long-Term Liabilities	<u>11,503,303</u>
Total Liabilities	<u>12,514,598</u>
Deferred Inflows of Resources	
Pension Related	6,813
Total Deferred Inflows of Resources	<u>6,813</u>
Net Position	
Net Investment in Capital Assets	5,449,392
Restricted for:	
Capital Projects and Debt Service	2,003,721
Unrestricted	1,499,816
Total Net Position	<u>\$ 8,952,929</u>

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

TOWN OF LIVINGSTON
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION - PROPRIETARY FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2023

	Enterprise Fund
Operating Revenues:	
Gas Sales	\$ 599,532
Less Cost of Gas Sold	(159,479)
Gross Profit on Gas Sales	440,053
Water Sales	1,277,204
Sewer Service Charges	1,140,449
Intergovernmental	18,307
Other	350,414
Total Operating Revenues	3,226,427
Operating Expenses:	
Bad Debts	23,993
Depreciation and Amortization	611,048
Employee Benefits	227,516
Insurance	131,949
Other	323,608
Professional Fees	109,107
Repairs and Maintenance	267,064
Salaries and Wages	529,526
Supplies	26,584
Utilities	155,355
Total Operating Expenses	2,405,750
Operating Income (Loss)	820,677
Nonoperating Revenues (Expenses):	
Realized Gain (Loss) on Sale of Assets	32,665
Bond Issuance Costs	(83,090)
Grants - State	31,250
Grants - Federal	83,500
Interest Income	181,045
Interest Expense	(400,195)
Total Nonoperating Revenues (Expenses)	(154,825)
Income Before Contributions and Transfers	665,852
Contributions and Transfers	
Operating Transfers Out	(626,950)
Change in Net Position	38,902
Net Position, Beginning	8,914,027
Total Net Position, Ending	\$ 8,952,929

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

TOWN OF LIVINGSTON
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>Enterprise Fund</u>
Cash Flows From Operating Activities:	
Received from Customers	\$ 3,060,270
Received for Meter Deposit Fees	10,177
Other Receipts	353,511
Payments for Operations	(1,239,911)
Payments to Employees	<u>(1,300,007)</u>
Net Cash Provided by Operating Activities	<u>884,040</u>
Cash Flows From Noncapital Financing Activities:	
Transfers from (to) Other Funds	(626,950)
Other Grant Funds Received	<u>114,750</u>
Net Cash Used in Noncapital Financing Activities	<u>(512,200)</u>
Cash Flows From Capital and Related Financing Activities:	
Proceeds from Sale of Capital Acquisitions	32,924
Payments for Capital Acquisitions	(484,370)
Payments for Debt Issue Costs	(83,090)
Principal Proceeds from (Repayments for) Long Term Debt	1,494,774
Interest Payments for Long-Term Debt	<u>(371,918)</u>
Net Cash Provided by Capital and Related Financing Activities	<u>588,320</u>
Cash Flows From Investing Activities:	
Receipt of Interest	181,045
Proceeds from Sale of (Payments for) Investments	<u>(3,173,373)</u>
Net Cash Provided by Investing Activities	<u>(2,992,328)</u>
Net Decrease in Cash and Cash Equivalents	(2,032,168)
Cash and Cash Equivalents, Beginning of Year	<u>4,944,291</u>
Cash and Cash Equivalents, End of Year	<u>\$ 2,912,123</u>
Reconciliation of Cash and Cash Equivalents to the Statement of Net Position:	
Cash and Cash Equivalents, Unrestricted	\$ 737,958
Cash and Cash Equivalents, Restricted	<u>2,174,165</u>
Total Cash and Cash Equivalents	<u>\$ 2,912,123</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:	
Operating Income	\$ 820,677
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:	
Depreciation and Amortization	611,048
(Increase) Decrease in Accounts Receivable	43,085
(Increase) Decrease in Other Receivable	(15,210)
(Increase) Decrease in Inventory	3,619
(Increase) Decrease in Prepaid Insurance	39,848
(Increase) Decrease in Deferred Outflows of Resources	37,684
(Increase) Decrease in Due (to) and from Other Funds	(548,755)
Increase (Decrease) in Accounts Payable	(88,889)
Increase (Decrease) in Compensated Absences	3,005
Increase (Decrease) in Deferred Inflows of Resources	(6,130)
Increase (Decrease) in Accrued Expenses	(26,119)
Increase (Decrease) in Customer Deposits	<u>10,177</u>
Net Cash Provided by Operating Activities	<u>\$ 884,040</u>

Noncash Capital and Financing Activities

Property with a net book value of \$259 was disposed of in the CY. The noncash portion of \$259 is recorded as a loss on the sale.

The Town entered into a lease agreement for a vehicle. Lease assets of \$44,850 and lease payable of \$44,850 were recorded.

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

BASIC FINANCIAL STATEMENTS
NOTES TO THE FINANCIAL STATEMENTS

TOWN OF LIVINGSTON

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2023

Introduction

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

The Town's total population is 1,877, as reported by the U.S. Census Bureau, Census 2020. The Town provides police and fire protection, services to maintain and develop streets, drainage, and sanitation, support of recreation activities, general and administrative services, and utilities services for area residents. The Town provides water, gas, and sewer utility services to 2,739 water customers, 710 gas customers, and 1,609 sewer customers inside and outside of the Town limits. The water distribution system provides services for Town of Livingston, Satsuma, and Brentwood. The current sewerage system consists of two separate collection systems with two separate sewerage treatment plants. The first and larger of the sewerage treatment plants is located at the Red Oak Facility in the Town of Livingston. The second is located in the subdivision of Brentwood and services the Satsuma area. At year end, the Town employs 30 employees in addition to the Mayor and Board of Aldermen.

Governmental Accounting Standards Board (GASB) Statement No. 14, as amended, establishes criteria for determining the reporting entity and component units that should be included within the reporting entity. Under provisions of this statement, as amended, the Town of Livingston is considered a primary government, since it is a local government that has a separately elected governing body. Under provisions of this statements, the Town is not considered a component unit of another government nor are there any component units of the Town.

1. Summary of Significant Accounting Policies -

A. Basis of Presentation

These financial statements have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. These financial statements are presented in accordance with GASB Statement No. 34, Basic Financial Statements, Management's Discussion and Analysis, for State and Local Governments, as amended. Statement No. 34 established standards for financial reporting, with presentation requirements originally including a statement of net position (or balance sheet), and a statement of activities. The definition and composition of these statements, as originally defined in GASB Statement No. 34, are as amended by GASB Statements, some of which are included in the following paragraphs. The District has also adopted the provisions of GASB Statement No. 33, Accounting and Financial Reporting for Nonexchange Transactions, that requires capital contributions to the District to be presented as a change in net position.

TOWN OF LIVINGSTON

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2023

GASB Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position, effective for financial statement periods ending after December 15, 2012, provides guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position and related disclosures. Concepts Statement No. 4, Elements of Financial Statements, introduced and defined Deferred Outflows of Resources as a consumption of net assets by the government that is applicable to a future reporting period, and Deferred Inflows of Resources as an acquisition of net assets by the government that is applicable to a future reporting period, respectively. Previous financial reporting standards do not include guidance for reporting those financial statement elements, which are distinct from assets and liabilities. GASB Concepts Statement 4 identifies net position as the residual of all other elements presented in a statement of financial position. This Statement amends the net asset reporting requirements in Statement No. 34, Basic Financial Statements—and Management’s Discussion and Analysis—for State and Local Governments, and other pronouncements by incorporating deferred outflows of resources and deferred inflows of resources into the definitions of the required components of the residual measure and by renaming that measure as net position, rather than net assets. The definition and reporting of net position is further described in Note 1 K – Net Position and Fund Balance.

The Town has also adopted GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. This Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. The application of this standard to long-term debt offerings of the District is more fully described in Note 1 J – Other Long-Term Obligations.

December 31, 2023, the Town had deferred inflows of resource recorded in the General Fund of \$6,770 related to ad valorem taxes not collected within the period of availability.

December 31, 2023, the Town had the following deferred outflows and deferred inflows of resources recorded in the Enterprise Fund: deferred outflows of resources related to pension and advanced bond refunding of \$101,820 and \$567,575, respectively; and deferred inflows of resources of \$6,813 related to pension.

The Town also had the following deferred outflows and deferred inflows of resources recorded in the government-wide statement of net position: deferred outflows of resources related to pension and advanced bond refunding of \$484,113 and \$567,575, respectively, at December 31, 2023; and deferred inflows of resources of \$22,018 related to pension.

B. Government-Wide and Fund Financial Statements

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

TOWN OF LIVINGSTON

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2023

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

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual proprietary funds are presented as separate columns in the fund financial statements. For the year ending December 31, 2023, the town only reports a single governmental fund, the general fund, and only one proprietary fund, the enterprise fund.

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

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

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

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

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

Property taxes, franchise taxes, licenses, intergovernmental and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Expenditure-driven grants, if any, are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or is considered available for this revenue source. Only the portion of special

TOWN OF LIVINGSTON

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2023

assessment receivable, if any, due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. Substantially all other revenue items are considered to be measurable and available only when cash is received by the government.

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

The Town reports the following major governmental funds:

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

The Town reports the following major proprietary funds:

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

D. Deposits and Investments

The Town's cash and cash equivalents are considered to be cash on hand, demand deposits, time deposits, and short-term investments with original maturities of three months or less from the date of acquisition. State law and the Town's investment policy allow the Town to invest in collateralized certificates of deposit, government-backed securities, commercial paper, the state-sponsored investment pool, and mutual funds consisting solely of government-backed securities.

Investments for the Town are reported at fair value, except nonparticipating investment contracts which are reported at cost, if any.

E. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." The net amount of interfund receivables and payables between governmental activities and business-type activities are reported as internal balances in the government-wide statement of net position. The net amount of

TOWN OF LIVINGSTON

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2023

transfers between governmental activities and business-type activities are reported as transfers in the government-wide statement of activities.

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

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

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

	<u>Authorized Millage</u>	<u>Levied Millage</u>	<u>Expiration Date</u>
General Corporate Purposes	4.77 mills	4.77 mills	None

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

F. Inventories and Prepaid Items

All inventories are valued at cost using the first-in/first-out method. Inventories of the governmental funds are recorded as expenditures when consumed rather than when purchased. The Town did not have any inventory at December 31, 2023 other than gas inventory storage of \$13,497. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

G. Restricted Assets

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

H. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements as well as within the proprietary fund financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their acquisition value at the date of donation. The municipality maintains a threshold level of \$2,500 or more for capitalizing capital assets. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. The Town does not capitalize interest during the construction period on a prospective basis per GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*.

TOWN OF LIVINGSTON

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2023

All depreciable capital assets are depreciated using the straight-line method over the following estimated useful lives:

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

I. Compensated Absences

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

All full-time employees earn leave as follows:

	<u>Minimum Years of Service</u>			
	<u>6 Mo. to 2 Yrs.</u>	<u>2 Yrs. to 10 Yrs.</u>	<u>10 Yrs. to 20 Yrs.</u>	<u>20 + Years</u>
Vacation Leave - Hours Earned per Year	40	80	120	160
Sick Leave - Hours Earned per Year	96	120	144	144
	<u>136</u>	<u>200</u>	<u>264</u>	<u>304</u>

Employees are allowed to carryover 40 hours of vacation time each year. Additionally, vacation is paid out at retirement or termination at the employee’s current rate of pay. Vacation time accrued must be taken by the end of the fiscal year.

Employees may roll sick time each year up to a maximum which may be accumulated of one thousand four hundred forty hours sick leave. No sick days shall be taken in lieu of vacations. Unused sick leave benefits are not paid to employees while they are employed or upon termination of employment. Only when an employee retires, they can be paid for up to 120 hours of sick leave.

The cost of leave privileges is computed in accordance with GASB Codification Section C60.

J. Other Long-Term Obligations

In the government-wide financial statements and the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Issuance costs, whether or

TOWN OF LIVINGSTON

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2023

not withheld from the actual debt proceeds received, are now expensed in the period incurred under GASB 65.

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

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

K. Net Position and Fund Balance

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

- **Net Investment in Capital Assets Component of Net Position** – The *net investment in capital assets* component of net position includes capital assets, net of accumulated depreciation, reduced by the outstanding balance of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt also should be included in the component of net position. If there are significant unspent proceeds at year-end, the portion of the debt attributable to the unspent proceeds is not included in the calculation of invested in capital assets, net of related debt. Rather, that portion of the debt or deferred inflows or resources should be included in the same net position component (restricted or unrestricted) as the unspent amount.
- **Restricted Component of Net Position** - The *restricted* component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Generally, a liability relates to restricted assets if the asset results from a resource flow that also results in the recognition of a liability or if the liability will be liquidated with the restricted assets reported. Net position should be reported as restricted when constraints placed on net position use are either: (a) Externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or (b) Imposed by law through constitutional provisions or enabling legislation.
- **Unrestricted Component of Net Position** - The *unrestricted* component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that

TOWN OF LIVINGSTON

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2023

are not included in the determination of net investment in capital assets or the restricted component of net position.

In the fund statements, governmental fund equity is classified as fund balance. As such, fund balances of governmental funds are classified as follows:

- **Nonspendable.** These are amounts that cannot be spent either, because they are in a nonspendable form or because they are legally or contractually required to be maintained intact.
- **Restricted.** These are amounts that can be spent only for specific purposes, because of constitutional provisions, enabling legislation or constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.
- **Committed.** These are amounts that can be used only for specific purposes determined by a formal decision of the Board, which is the highest level of decision-making authority for the Town.
- **Assigned.** These are amounts that do not meet the criteria to be classified as restricted or committed, but are intended to be used for specific purposes based on the discretion of the Board. Assigned fund balance includes (a) all remaining amounts (except for negative balances,) that are reported in governmental funds, other than the general fund, that are not classified as nonspendable and are neither restricted nor committed and (b) amounts in the general fund that are intended to be used for a specific purpose based on the discretion of the Board.
- **Unassigned.** These are amounts that have not been assigned to other funds and amounts that have not been restricted, committed, or assigned to specific purposes within the general fund. Also, within other governmental funds, these include expenditure amounts incurred for specific purposes which exceed the amounts restricted, committed, or assigned for those purposes.

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

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

L. Comparative Data/Reclassifications

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

M. Extraordinary and Special Items

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

TOWN OF LIVINGSTON

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2023

N. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

O. Reconciliations of Government-Wide and Fund Financial Statements

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

2. Stewardship, Compliance and Accountability -

The Town uses the following budget practices:

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

TOWN OF LIVINGSTON

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2023

The General Fund had no actual expenditures and other uses over budgeted amounts nor any actual revenues and other sources below budget amounts resulting in unfavorable variances greater than five percent in accordance with the Local Government Budget Act for the fiscal year ended December 31, 2023.

3. Cash Deposits with Financial Institutions -

At December 31, 2023, the Town has deposits with financial institutions (book balances) as follows:

	December 31, 2023
Cash on Hand	\$ 100
Interest-bearing Demand Deposits	926,474
Time and Savings Deposits	2,159,168
Total Cash and Cash Equivalents	<u>3,085,742</u>
Other Deposits:	
Louisiana Asset Management Pool (LAMP) (See Note 4)	4,234,915
Total Deposits	<u>\$ 7,320,657</u>

The cash and cash equivalents are stated at cost, which approximates market. The deposit in LAMP is stated at fair value. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance, or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Even though the pledged securities may be considered uncollateralized (Category 3) under the provisions of GASB Statement 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the municipality that the fiscal agent has failed to pay deposited funds upon demand.

Custodial credit risk as it relates to cash deposits is the risk that in the event of a bank failure, the government's deposits may not be returned. The Town does not have a formal policy for custodial risk. At December 31, 2023, the Town has \$3,142,269 in deposits (collected bank balances other than LAMP), consisting of \$983,092 in demand deposits at one bank and \$2,159,177 in time and savings deposits at one bank. The demand deposits are secured from risk by \$250,000 of federal deposit insurance and \$722,710 is secured from risk by pledged securities. The remaining \$10,382 exceeds the FDIC insurance and the pledged collateral and as such is unsecured and exposed to custodial credit risk (GASB Category 3). The \$722,710 is also exposed to custodial credit risk because while the amount is secured by pledged securities, such securities are held by the custodial bank in the name of the fiscal agent bank (GASB Category 3). The time and savings deposits totaling \$2,159,177 are secured from risk by the Trust Department of the respective bank.

4. Investments -

Investments are categorized into these three categories of credit risk:

1. Insured or registered, or securities held by the town or its agent in the Town's name
2. Uninsured and unregistered, with securities held by the counterparty's trust department or agent in the Town's name
3. Uninsured and unregistered, with securities held by the counterparty, or by its trust department or agent but not in the Town's name

TOWN OF LIVINGSTON

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2023

The Town's investments are carried at fair value, except nonparticipating investment contracts which are reported at cost, if any.

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

There were no investments held by the Town at December 31, 2023, other than LAMP.

At December 31, 2023, the Town's investment balances were as follows:

	Carrying Amount	Fair Market Value
Louisiana Asset Management Pool	\$ 4,234,915	\$ 4,234,915
Total	<u>\$ 4,234,915</u>	<u>\$ 4,234,915</u>

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

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

LAMP is an investment pool that, to the extent practical, invests in a manner consistent with GASB Statement No. 79. The following facts are relevant for investment pools:

1. Credit risk: LAMP is rated AAAM by Standards and Poor's.
2. Custodial credit risk: LAMP participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity's investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required.
3. Concentration of credit risk: Pooled investments are excluded from the five percent disclosure requirement.
4. Interest rate risk: LAMP is designed to be highly liquid to give participants immediate access to their account balances. LAMP prepares its own interest rate risk disclosure using the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days or 762 days for U.S. Government floating/variable rate investments. The WAM for LAMP's total investments is 53 days (from LAMP's monthly Portfolio Holding) as of December 31, 2023.
5. Foreign currency risk: Not applicable.

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

TOWN OF LIVINGSTON

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2023

LAMP, Inc. is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company. If you have any questions, please feel free to contact LAMP administrative offices at 800-249-5267.

5. Receivables -

Major receivables balances for the governmental activities include sales taxes, franchise taxes, occupational licenses, fines, and other similar intergovernmental revenues. Business-type activities report utilities earnings as their major receivable. In the governmental funds these revenue accruals are limited to those that are both measurable and available. Utility accounts receivable comprise the majority of business-type activities and proprietary fund receivables. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging and write-off of accounts receivable.

The Governmental Fund receivables at December 31, 2023 consist of the following:

	General Fund
Accounts	\$ -
Taxes:	
Ad Valorem	43,324
Public Utility Franchise	42,834
Sales and Use Tax	59,319
Intergovernmental:	
State of Louisiana, Beer Tax Distribution	1,916
Fire District #12 - Fire Insurance Rebate	106,218
Other Intergovernmental Receivables	11,703
Royalties	331
Total Receivables	\$ 265,645

The Enterprise Fund accounts receivable at December 31, 2023 consists of the following:

	Enterprise Fund
Accounts Receivable	
Current	\$ 262,276
31 - 60 Days	32,158
61 - 90 Days	2,253
Over 90 Days	144,804
Subtotal	441,491
Less Allowance for Bad Debt	(144,805)
Accounts Receivables, Net	296,686
Accrued Billings	-
Total Accounts Receivable	\$ 296,686

For the fiscal year ended December 31, 2023, there was \$23,993 in bad debt expense recorded.

6. Interfund Receivables/Payables -

The following is a detailed list of inter-fund balances reported in the fund financial statements on December 31, 2023:

TOWN OF LIVINGSTON

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2023

Interfund Balances	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General Fund	\$ 232,301	\$ -
Enterprise Fund	-	(232,301)
Total Interfund Balances	<u>\$ 232,301</u>	<u>\$ (232,301)</u>

The balance due between funds represents payroll and sanitation fees due to the General Fund from the Enterprise Fund at December 31, 2023.

7. Restricted Assets -

Restricted assets for the Governmental Funds and Enterprise Fund at December 31, 2023 were as follows:

	December 31, 2023
Restricted Cash and Cash Equivalents	
Enterprise Fund	
Customer Deposits	\$ 14,997
Bond Sinking Account	304,070
Series 2019 Construction	111,491
Series 2020 Construction	45,616
Series 2023 Construction	1,697,991
Restricted Investments	
Enterprise Fund	
LAMP - Customer Deposits	232,708
Total Restricted Assets	\$ 2,406,873

8. Capital Assets -

During the year ending December 31, 2022, the Town implemented GASB Statement No 87, *Leases*. The result of the implementation was the addition of leases greater than 12 months recorded as a right-of-use asset, categorized as a capital asset, along with a lease liability. The lease liability is measured at the present value of payments expected to be made during the lease term (less any lease incentives). The lease asset is measured at the amount of the initial measurement of the lease liability, plus any payments made to the lessor at or before the commencement of the lease term and certain direct costs. The lease asset is amortized using the straight-line method over a period of the shorter of the lease term or the useful life of the asset.

Capital assets and depreciation activity as of and for the year ended December 31, 2023 for governmental activities is as follows:

TOWN OF LIVINGSTON

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2023

	<u>Beginning</u>			<u>Ending</u>
Governmental Activities Capital Assets:	Balance	Increases	Decreases	Balance
Capital Assets Not Being Depreciated:				
Land	\$ 138,634	\$ -	\$ -	\$ 138,634
Construction in Progress	<u>252,544</u>	<u>260,017</u>	<u>(39,900)</u>	<u>472,661</u>
Total Capital Assets Not Being Depreciated	<u>391,178</u>	<u>260,017</u>	<u>(39,900)</u>	<u>611,295</u>
Capital Assets Being Depreciated:				
Buildings and Improvements	956,069	49,766	(6,154)	999,681
Parks and Improvements	1,532,196	211,011	-	1,743,207
Sidewalk Improvements	517,882	-	-	517,882
Vehicles	1,115,597	-	(211,850)	903,747
Machinery and Equipment	716,053	29,565	(64,080)	681,538
Furniture and Fixtures	27,270	-	-	27,270
Computers and Software	48,535	7,198	(908)	54,825
Infrastructure	<u>1,068,173</u>	<u>-</u>	<u>-</u>	<u>1,068,173</u>
Total Capital Assets Being Depreciated	<u>5,981,775</u>	<u>297,540</u>	<u>(282,992)</u>	<u>5,996,323</u>
Less Accumulated Depreciation for:				
Buildings and Improvements	630,533	26,927	(6,154)	651,306
Parks and Improvements	947,862	66,758	-	1,014,620
Sidewalk Improvements	383,724	17,716	-	401,440
Vehicles	1,011,468	43,609	(211,850)	843,227
Machinery and Equipment	625,807	25,062	(64,079)	586,790
Furniture and Fixtures	27,156	114	-	27,270
Computers and Software	46,120	2,203	(908)	47,415
Infrastructure	<u>439,380</u>	<u>51,701</u>	<u>-</u>	<u>491,081</u>
Total Accumulated Depreciation	<u>4,112,050</u>	<u>234,090</u>	<u>(282,991)</u>	<u>4,063,149</u>
Total Capital Assets Being Depreciated, Net	<u>1,869,725</u>	<u>63,450</u>	<u>(1)</u>	<u>1,933,174</u>
Lease Assets:				
Vehicles	<u>70,962</u>	<u>55,013</u>	<u>-</u>	<u>125,975</u>
Total Lease Assets Being Amortized	<u>70,962</u>	<u>55,013</u>	<u>-</u>	<u>125,975</u>
Less Accumulated Amortization for:				
Vehicles	<u>11,497</u>	<u>24,298</u>	<u>-</u>	<u>35,795</u>
Total Accumulated Amortization	<u>11,497</u>	<u>24,298</u>	<u>-</u>	<u>35,795</u>
Total Lease Assets Being Amortized , Net	<u>59,465</u>	<u>30,715</u>	<u>-</u>	<u>90,180</u>
Total Governmental Activities Capital Assets, Net	\$ <u>2,320,368</u>	\$ <u>354,182</u>	\$ <u>(39,901)</u>	\$ <u>2,634,649</u>

Depreciation and amortization was charged to governmental functions as follows:

General Government	\$ 14,499
Public Safety - Police Protection	48,906
Public Safety - Fire Protection	30,118
Public Works - Streets	72,354
Parks and Recreation	<u>92,511</u>
	\$ <u>258,388</u>

Governmental activities capital assets increased by \$234,665 before depreciation expense of \$234,190 and amortization expense of \$24,298. This increase relates to a new lease agreement and related GASB 87 treatment as well as other capital outlay. The right-of-use assets, lease assets, increased \$55,013 primarily

TOWN OF LIVINGSTON

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2023

related to the implementation of GASB 87 for the leasing of one new vehicle. Capital assets increased primarily related to \$232,117 in construction in progress for the Old Courthouse Project and \$211,011 primarily related to Circle Drive park new fitness court . The increases were partially offset by the sale of several vehicles.

Capital assets and depreciation activity as of and for the year ended December 31, 2023 for business-type activities is as follows:

Business - Type Activities Capital Assets:	<u>Beginning</u>			<u>Ending</u>
	<u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u>
Capital Assets Not Being Depreciated:				
Land	\$ 73,181	\$ 15,168	\$ -	\$ 88,349
Construction in Progress	268,188	20,040	-	288,228
Total Capital Assets Not Being Depreciated	<u>341,369</u>	<u>35,208</u>	<u>-</u>	<u>376,577</u>
Capital Assets Being Depreciated:				
Buildings and Improvements	353,512	6,302	-	359,814
Vehicles	228,135	6,950	(13,116)	221,969
Machinery and Equipment	429,255	81,193	(96,316)	414,132
Furniture and Fixtures	15,665	-	-	15,665
Computers and Software	37,226	6,378	-	43,604
Gas Utility System	605,071	6,654	-	611,725
Water Utility System	5,300,763	41,355	(808)	5,341,310
Sewer Utility System	15,559,643	6,090	-	15,565,733
Total Capital Assets Being Depreciated	<u>22,529,270</u>	<u>154,922</u>	<u>(110,240)</u>	<u>22,573,952</u>
Less Accumulated Depreciation for:				
Buildings and Improvements	145,673	10,841	-	156,514
Vehicles	169,143	17,109	(13,116)	173,136
Machinery and Equipment	263,730	28,189	(96,315)	195,604
Furniture and Fixtures	15,301	237	-	15,538
Computers and Software	37,226	604	-	37,830
Gas Utility System	415,896	12,047	-	427,943
Water Utility System	2,561,596	133,654	(550)	2,694,700
Sewer Utility System	4,756,991	361,794	-	5,118,785
Total Accumulated Depreciation	<u>8,365,556</u>	<u>564,475</u>	<u>(109,981)</u>	<u>8,820,050</u>
Total Capital Assets Being Depreciated, Net	<u>14,163,714</u>	<u>(409,553)</u>	<u>(259)</u>	<u>13,753,902</u>
Lease Assets:				
Vehicles	84,255	44,850	-	129,105
Machinery and Equipment	81,470	-	-	81,470
Total Lease Assets Being Amortized	<u>165,725</u>	<u>44,850</u>	<u>-</u>	<u>210,575</u>
Less Accumulated Amortization for:				
Vehicles	1,809	18,045	-	19,854
Machinery and Equipment	2,202	26,423	-	28,625
Total Accumulated Amortization	<u>4,011</u>	<u>44,468</u>	<u>-</u>	<u>48,479</u>
Total Lease Assets Being Amortized , Net	<u>161,714</u>	<u>382</u>	<u>-</u>	<u>162,096</u>
Total Business - Type Activities Capital Assets, Net	\$ <u>14,666,797</u>	\$ <u>(373,963)</u>	\$ <u>(259)</u>	\$ <u>14,292,575</u>

TOWN OF LIVINGSTON

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2023

Capital assets for business-type activities capital assets increased by \$79,890 before depreciation expense of \$564,475 and amortization expense of \$44,468. This increase relates to a new lease agreement and related GASB 87 treatment as well as other capital outlay. The right-of-use assets (lease assets) increased \$44,850 primarily related to the implementation of GASB 87 for the leasing of one new vehicle. Capital assets increased primarily related to purchase of land of \$15,168, construction in progress of \$20,040 incurred for the new water sector program project, \$81,193 in equipment purchases, and \$54,099 in additions to the utility systems. Additional increases in other categories were partially offset by the sale of vehicles and equipment.

9. Interfund Transfers –

Interfund transfers for the year ending December 31, 2023 are as follows:

Interfund Transfers	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund		
Enterprise Fund	\$ 626,950	\$ -
Enterprise Fund		
General Fund	-	626,950
Total Interfund Transfers	<u>\$ 626,950</u>	<u>\$ 626,950</u>

The primary reason for the transfers between the General Fund and the Enterprise Fund was to fund operating requirements per budget approvals. There were no such transfers during the year ended December 31, 2023

10. Accounts, Salaries, and Other Payables -

Fund payables at December 31, 2023 are as follows:

	<u>General Fund</u>	<u>Enterprise Fund</u>	<u>Total</u>
Accounts Payable	\$ 58,159	\$ 73,581	\$ 131,740
Other Accrued Payables:			
Accrued Salaries	34,955	22,263	57,218
Other Payroll Liabilities	40,158	-	40,158
Accrued Interest	-	161,068	161,068
Construction Payable	10,403	1,575	11,978
Retainage Payable	-	-	-
Other	939	2,352	3,291
	<u>\$ 144,614</u>	<u>\$ 260,839</u>	<u>\$ 405,453</u>

11. Short-Term Debt -

The Town had no short-term debt outstanding at December 31, 2023, other than the current portion of revenue bonds payable, leases, and compensated absences.

TOWN OF LIVINGSTON

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2023

12. Long-Term Obligations –

During the year ending December 31, 2022, the Town implemented GASB Statement No 87, Leases. The result of the implementation was the addition of leases greater than 12 months recorded as a right-of-use asset, categorized as a capital asset, along with a lease liability. The lease liability is measured at the present value of payments expected to be made during the lease term (less any lease incentives). The lease liability is reduced as payments are made on the lease.

The following is a summary of long-term debt transactions for the year ended December 31, 2023:

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>			<u>Total Long-Term Debt</u>
	<u>Leases Payable</u>	<u>Compensated Absences</u>	<u>Rev Bonds / Cert of Indebt.</u>	<u>Leases Payable</u>	<u>Compensated Absences</u>	
Beginning Balance	\$ 62,168	\$ 13,311	\$ 9,408,000	\$ 164,863	\$ 7,888	\$ 9,656,230
Additions	55,013	18,720	1,775,000	44,850	16,521	1,910,104
Deletions	(21,292)	(18,960)	(212,000)	(40,619)	(13,516)	(306,387)
Total Debt	<u>95,889</u>	<u>13,071</u>	<u>10,971,000</u>	<u>169,094</u>	<u>10,893</u>	<u>11,259,947</u>
Less: Unamortized Premium (Discount)	-	-	201,274	-	-	201,274
Total Long-Term Debt	<u>\$ 95,889</u>	<u>\$ 13,071</u>	<u>\$ 11,172,274</u>	<u>\$ 169,094</u>	<u>\$ 10,893</u>	<u>\$ 11,461,221</u>

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

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>			<u>Total Long-Term Obligations</u>
	<u>Leases Payable</u>	<u>Compensated Absences</u>	<u>Rev Bonds / Cert of Indebt.</u>	<u>Leases Payable</u>	<u>Compensated Absences</u>	
Current Portion	\$ 27,988	\$ 4,800	\$ 217,000	\$ 50,780	\$ 4,330	\$ 304,898
Long-Term Portion	67,901	8,271	10,754,000	118,314	6,563	10,955,049
	<u>\$ 95,889</u>	<u>\$ 13,071</u>	<u>\$ 10,971,000</u>	<u>\$ 169,094</u>	<u>\$ 10,893</u>	<u>\$ 11,259,947</u>

The Town also has long term liabilities for net pension liability as of December 31, 2023; \$1,270,759 in governmental activities and \$423,152 in business type activities related to the Town's retirement systems (see Note 14).

The general fund liquidates the obligations in governmental activities and the enterprise fund liquidates the obligations in the business-type activities.

TOWN OF LIVINGSTON

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2023

Bonds Payable are included in the Enterprise Fund and the business-type activities as of December 31, 2023 and are as follows:

	<u>Bonds Payable</u> <u>End of Year</u>	<u>Due Within</u> <u>One Year</u>
\$4,485,000, Series 2016 Utility Revenue Refunding Bonds Dated 8/10/2016, due in annual installments of principal ranging from \$125,000 in 2017 to \$265,000 in 2041 and sixty semiannual installments of interest averaging \$48,043 at rates of interest ranging from 2.0% to 4.0%	\$ 3,555,000	\$ 145,000
\$5,285,000, Series 2019 Utility Revenue Bonds Dated 8/10/2019, due in annual installments of principal ranging from \$30,000 in 2020 to \$500,000 in 2049 and sixty semiannual installments of interest averaging \$62,970 at rates of interest ranging from 2.0% to 3.375%	5,055,000	70,000
\$590,000, Series 2020 Utility Revenue Bonds Dated 6/17/2020, due in annual installments of principal ranging from \$2,000 in 2022 to \$523,000 in 2050 and sixty semiannual installments of interest averaging \$8,300 at an interest rate of 3.0%	586,000	2,000
\$1,775,000, Series 2023 Utility Revenue Bonds Dated 3/29/2023, due in annual installments of principal ranging from \$2,000 in 2022 to \$523,000 in 2050 and sixty semiannual installments of interest averaging approximately \$34,000 at an interest rate of 4.5%	1,775,000	-
	\$ 10,971,000	\$ 217,000

TOWN OF LIVINGSTON

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2023

The Town’s lease obligations as of December 31, 2023 are as follows:

	Lease Payable End of Year	Due Within One Year
Governmental Activities		
In 2022, the Town entered into a Master Lease Agreement for the lease of several vehicles. The following vehicles are leased by the Town under this Master Lease agreement:		
In March 2022, the town took possession of a 2022 Chevy Tahoe commencing the lease on this vehicle. The first payment for March 2022 was prorated. Payments of \$1,135.79 thereafter commenced April 2022 and continue for 36 months. The lease agreement on this vehicle also includes additional fees for maintenance not included in the monthly lease	\$ 19,476	\$ 12,198
In November 2022, the town took possession of a 2022 Ford F-150 commencing the lease on this vehicle. The first payment for November 2022 was prorated. Payments of \$625.98 thereafter commenced December 2022 and continue for 60 months. The lease agreement on this vehicle also includes additional fees not included in the monthly lease payment such as maintenance fees and mileage overage charge for miles over 40,000.	25,967	6,027
In July 2023, the town took possession of a 2023 Ford Expedition commencing the lease on this vehicle. The first payment for July 2023 was prorated. Payments of \$1,063.30 thereafter commenced August 2023 and continue for 60 months. The lease agreement on this vehicle also includes additional fees not included in the monthly lease payment such as maintenance fees and mileage overage charge for miles over 50,000.	50,446	9,763
Subtotal Governmental Activities	95,889	27,988

TOWN OF LIVINGSTON

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2023

	Lease Payable End of Year	Due Within One Year
Business-Type Activities		
In 2022, the Town entered into a Master Lease Agreement for the lease of several vehicles. The following vehicles are leased by the Town under this Master Lease agreement:		
In November 2022, the town took possession of a 2022 Ford F-150 commencing the lease on this vehicle. The first payment for November 2022 was prorated. Payments of \$502.80 thereafter commenced December 2022 and continue for 60 months. The lease agreement on this vehicle also includes additional fees not included in the monthly lease payment such as maintenance fees and mileage overage charge for miles over 50,000.	20,930	4,871
In December 2022, the town took possession of a 2022 Ford F-150 commencing the lease on this vehicle. The first payment for December 2022 was prorated. Payments of \$559.37 thereafter commenced December 2022 and continue for 60 months. The lease agreement on this vehicle also includes additional fees not included in the monthly lease payment such as maintenance fees and mileage overage charge for miles over 40,000.	23,884	5,458
In December 2022, the town took possession of a 2022 Ford F-150 commencing the lease on this vehicle. The first payment for December 2022 was prorated. Payments of \$557.72 thereafter commenced December 2022 and continue for 60 months. The lease agreement on this vehicle also includes additional fees not included in the monthly lease payment such as maintenance fees and mileage overage charge for miles over 50,000.	23,715	5,401
In November 2023, the town took possession of a 2023 Ford F-150 commencing the lease on this vehicle. The first payment for November 2023 was prorated. Payments of \$871.14 thereafter commenced December 2023 and continue for 60 months. The lease agreement on this vehicle also includes additional fees not included in the monthly lease payment such as maintenance fees and mileage overage charge for miles over 50,000.	43,707	7,769
In December 2022, the Town entered into a Lease Agreement for the lease of a John Deere Excavator. Payments of \$2,574.40 commence January 2023 and continue 36 months.	56,858	27,281
Subtotal Business-Type Activities	169,094	50,780
Total	\$ 264,983	\$ 78,768

Lease expense for the year ending December 31, 2023 is as follows:

	Governmental Activities	Business-Type Activities
Lease Expense		
Amortization expense by class of underlying asset:		
Vehicle	\$ 24,298	\$ 18,045
Equipment	-	26,423
Total amortization expense	24,298	44,468
Interest on lease liabilities	5,936	10,778
Variable lease expense	-	-
Total	\$ 30,234	\$ 55,246

The annual requirements to amortize all debt outstanding in the governmental activities at December 31, 2023, are presented below. Remaining interest payments of \$13,003 are included.

TOWN OF LIVINGSTON

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2023

Year Ending 12/31/23	Leases			Total Governmental Activities		
	Principal	Interest	Total	Principal	Interest	Total
2024	\$ 27,988	\$ 5,843	\$ 33,831	\$ 27,988	\$ 5,843	\$ 33,831
2025	24,120	3,581	27,701	24,120	3,581	27,701
2026	17,963	2,308	20,271	17,963	2,308	20,271
2027	18,534	1,112	19,646	18,534	1,112	19,646
2028	7,284	159	7,443	7,284	159	7,443
	<u>\$ 95,889</u>	<u>\$ 13,003</u>	<u>\$ 108,892</u>	<u>\$ 95,889</u>	<u>\$ 13,003</u>	<u>\$ 108,892</u>

The annual requirements to amortize all debt outstanding in the business-type activities at December 31, 2023, are presented below. Remaining interest payments of \$7,135,133 are included.

Year Ending 12/31/23	Series 2016 Revenue Bonds \$4,485,000			Series 2019 Revenue Bonds \$5,285,000			Series 2020 Revenue Bonds \$590,000		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2024	\$ 145,000	\$ 129,800	\$ 274,800	\$ 70,000	\$ 162,713	\$ 232,713	\$ 2,000	\$ 17,550	\$ 19,550
2025	150,000	125,450	275,450	70,000	161,138	231,138	2,000	17,490	19,490
2026	150,000	120,950	270,950	80,000	159,263	239,263	2,000	17,430	19,430
2027	160,000	116,450	276,450	75,000	157,325	232,325	2,000	17,370	19,370
2028	165,000	111,650	276,650	75,000	155,450	230,450	2,000	17,310	19,310
2029 to 2033	915,000	463,300	1,378,300	420,000	743,163	1,163,163	10,000	85,650	95,650
2034 to 2038	1,110,000	222,750	1,332,750	495,000	674,363	1,169,363	10,000	100,515	110,515
2039 to 2043	760,000	61,600	821,600	1,005,000	576,228	1,581,228	15,000	65,910	80,910
2044 to 2048	-	-	-	2,265,000	280,716	2,545,716	15,000	80,025	95,025
2049 to 2053	-	-	-	500,000	8,438	508,438	526,000	23,580	549,580
	<u>\$ 3,555,000</u>	<u>\$ 1,351,950</u>	<u>\$ 4,906,950</u>	<u>\$ 5,055,000</u>	<u>\$ 3,078,797</u>	<u>\$ 8,133,797</u>	<u>\$ 586,000</u>	<u>\$ 442,830</u>	<u>\$ 1,028,830</u>

Year Ending 12/31/23	Series 2023 Revenue Bonds \$1,775,000			Leases			Total Business-Type Activities		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2024	\$ -	\$ 79,875	\$ 79,875	\$ 50,781	\$ 10,005	\$ 60,786	\$ 267,781	\$ 399,943	\$ 667,724
2025	5,000	79,763	84,763	54,589	6,196	60,785	281,589	390,037	671,626
2026	-	79,650	79,650	26,622	3,271	29,893	258,622	380,564	639,186
2027	-	79,650	79,650	27,832	1,557	29,389	264,832	372,352	637,184
2028	-	79,650	79,650	9,270	312	9,582	251,270	364,372	615,642
2029 to 2033	15,000	397,238	412,238	-	-	-	1,360,000	1,689,351	3,049,351
2034 to 2038	10,000	393,975	403,975	-	-	-	1,625,000	1,391,603	3,016,603
2039 to 2043	15,000	390,938	405,938	-	-	-	1,795,000	1,094,676	2,889,676
2044 to 2048	15,000	387,788	402,788	-	-	-	2,295,000	748,529	3,043,529
2049 to 2053	1,715,000	271,688	1,986,688	-	-	-	2,741,000	303,706	3,044,706
	<u>\$ 1,775,000</u>	<u>\$ 2,240,215</u>	<u>\$ 4,015,215</u>	<u>\$ 169,094</u>	<u>\$ 21,341</u>	<u>\$ 190,435</u>	<u>\$ 11,140,094</u>	<u>\$ 7,135,133</u>	<u>\$ 18,275,227</u>

13. Flow of Funds, Restrictions on Use – Enterprise Fund Bonds -

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

TOWN OF LIVINGSTON

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2023

new construction and refunding of existing debt restated and presented for the final year of construction improvements.

\$3,700,000 of this bond was pledged for construction. At December 31, 2023, all of the pledged funds for construction had been used for construction purposes, including \$554,360 for construction period interest to date. Remaining uses of funds included \$433,722 for refunding of the Series 2006 Certificates of Indebtedness, \$310,204 to fully fund the Series 2011 Debt Reserve Fund, with the remaining \$264,612 reserved for bond issuance costs.

During 2016, the Town issued \$4,485,000 in Utility Systems Revenue Refunding Bonds, Series 2016 at a premium of \$422,253 for the purpose of refunding the outstanding Series 2011 bonds which totaled \$4,270,000 and paying the costs of issuance of the bonds. \$4,749,662 of the bond proceeds and \$310,204 of reserve funds were used to purchase U.S. government securities. These securities were deposited in an irrevocable trust with an escrow agent to provide for the 2018 to 2041 debt service payments on the 2016 utility revenue bonds. These bonds maturing August 1, 2022 and thereafter will be called on August 1, 2021 at a price equal to the principal amount thereof (\$3,760,000) plus accrued interest to the call date. As a result, the \$4,270,000 of Series 2011 revenue bonds were considered in-substance defeased and the liability for those bonds was removed from the Town's books at December 31, 2016.

The Series 2016 bonds are payable solely from and secured by an irrevocable pledge and dedication of the Town's revenues collected by the Town from the fees and service charges levied by the Town through its operation of the Sewer System, Waterworks System, and Natural Gas System, and such revenues, after the payment of all operation and maintenance expenses with respect to the Sewer System, Waterworks System, and Natural Gas System, and do not constitute an indebtedness or pledge of the general credit of the issuer within the meaning of any constitutional or statutory provision relating to the incurring of indebtedness.

Under the terms of the bond, a "Sinking Fund" must be maintained with the paying agent for the outstanding bonds, sufficient in amount to pay promptly and fully the principal of and the interest on the bonds. The Town must deposit funds into the sinking fund, on or before the twentieth (20th) day of each month, a sum equal to one-sixth of the amount required to pay the interest payable and one-twelfth of the amount required to pay the principal due on the Bonds on the next payment date to the sinking fund each month. At December 31, 2023 the Sinking Fund was fully-funded at \$120,518.

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

The Town, through its Governing Authority by the Ordinance has covenanted to fix, establish, maintain, and collect such rates, fees, rents, or other charges for the services and facilities of the Utility Systems, and all parts thereof, and to revise the same from time to time whenever necessary, as will always provide revenues in each Fiscal Year sufficient to pay operation and maintenance expense of the Utility Systems in each Fiscal Year and as will provide Pledged Revenues at least equal to 125% of the maximum Annual Principal and Interest Requirements, for the Bonds falling due in such year plus the payment on all bonds or other obligations payable from the Utility Systems and as will provide revenues at least sufficient to pay all reserve or sinking funds or other payments required for such Fiscal Year by the Ordinance and all obligations or indebtedness payable out of the Pledged Revenues during such year, and that such rates, fees, rents, or other

TOWN OF LIVINGSTON

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2023

charges shall not at any time be reduced as to be insufficient to provide adequate Pledged Revenues for such purposes. For the fiscal year ending December 31, 2023, Net Revenues were computed to be above the 125% threshold of the average annual debt service requirements on all bonds held outstanding for the system.

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

The Series 2019 bonds are payable solely from and secured by an irrevocable pledge and dedication of the Town’s revenues collected by the Town from the fees and service charges levied by the Town through its operation of the Sewer System, Waterworks System, and Natural Gas System, and such revenues, after the payment of all operation and maintenance expenses with respect to the Sewer System, Waterworks System, and Natural Gas System, and do not constitute an indebtedness or pledge of the general credit of the issuer within the meaning of any constitutional or statutory provision relating to the incurring of indebtedness.

Under the terms of the bond, a “Sinking Fund” must be maintained with the paying agent for the outstanding bonds, sufficient in amount to pay promptly and fully the principal of and the interest on the bonds. The Town must deposit funds into the sinking fund, on or before the twentieth (20th) day of each month, a sum equal to one-twelfth of the amount required to pay the interest payable and principal due on the Bonds on the next payment date to the sinking fund each month. At December 31, 2023 the Sinking Fund was fully-funded at \$136,759.

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

On June 17, 2020, the Town issued \$590,000 in Utility Systems Revenue Bonds, Series 2020 for the purpose of “financing the construction of a new sewage treatment plant and refurbishing the Town’s existing sewage treatment plant to increase capacity; funding a debt service reserve fund with the purchase of a surety bond; financing the costs of issuance of the Bonds; and acquiring a municipal bond insurance policy. This Series was issued at a discount of \$14,756.

The Series 2020 bonds are payable solely from and secured by an irrevocable pledge and dedication of the Town’s revenues collected by the Town from the fees and service charges levied by the Town through its operation of the Sewer System, Waterworks System, and Natural Gas System, and such revenues, after the payment of all operation and maintenance expenses with respect to the Sewer System, Waterworks System, and Natural Gas System, and do not constitute an indebtedness or pledge of the general credit of the issuer within the meaning of any constitutional or statutory provision relating to the incurring of indebtedness.

Under the terms of the bond, a “Sinking Fund” must be maintained with the paying agent for the outstanding bonds, sufficient in amount to pay promptly and fully the principal of and the interest on the bonds. Amounts deposited into the Sinking Fund which are required to pay a portion of the next maturing principal of and next due interest on the Bonds are expected to be deposited monthly (but not more than one year prior to such payment). At December 31, 2023 the Sinking Fund was fully-funded at \$10,516.

TOWN OF LIVINGSTON

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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

On March 29, 2023, the Town issued \$1,775,000 in Utility Revenue Bonds, Series 2023 for purpose of (i) financing the construction of extensions to the Town's existing waterworks system to increase capacity (collectively, the "Improvement Projects"); (ii) funding a debt service reserve fund with the purchase of a surety bond; (iii) financing the costs of issuance of the Bonds; and (iv) acquiring a municipal bond insurance policy. The series was issued at a discount of \$28,755.

The Series 2023 bonds are payable solely from and secured by an irrevocable pledge and dedication of the Town's revenues collected by the Town from the fees and service charges levied by the Town through its operation of the Utility Systems, after payment of the necessary costs to operate and maintain the Utility Systems. The Bonds were issued on par with the Series 2016, 2019 and 2020 Bonds.

Under the terms of the bond, all payments of principal and interest on the bonds are expected to be made from the Town's Sinking Fund established for the bonds. Amounts deposited into the Sinking Fund which are required to pay a portion of the next maturing principal of and next due interest on the Bonds are expected to be deposited monthly (but not more than one year prior to such payment). At December 31, 2023 the Sinking Fund was fully-funded at \$36,277.

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

The Town, through its Governing Authority, covenants to fix, establish, maintain and collect, so long as any principal and interest is unpaid on the Bonds, such Revenues in each Fiscal Year sufficient to (i) pay the reasonable and necessary Operation and Maintenance Expenses in each Fiscal Year; (ii) provide Pledged Revenues in an amount sufficient to make required payments and deposits established for the benefit of the Prior Bonds and maintained by the Ordinance for the payment of the principal and interest on the Bonds, the Prior Bonds and any Additional Parity Obligations issued hereafter; (iii) provide Pledged Revenues in an amount equal to at least one hundred twenty-five percent (125%) of the Maximum Annual Debt Service; (iv) make all other payments required by the Ordinance; and (v) pay all other obligations or indebtedness payable out of the Pledged Revenues for such Fiscal Year. The Issuer further covenants that such rates, fees, rents or other charges shall not at any time be reduced so as to be insufficient to provide adequate Pledged Revenues for such purposes. For the fiscal year ending December 31, 2023, Net Revenues were computed to be above the 125% threshold of the average annual debt service requirements on all bonds held outstanding for the system.

Total interest expense on all revenue bonds, for the fiscal year ending December 31, 2023, equaled \$311,147. The gross utility systems revenue recognized in the current period was \$3,017,185.

14. Retirement Systems -

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DECEMBER 31, 2023

Substantially all employees of the Town of Livingston are members of the following statewide retirement systems: Municipal Employees Retirement System of Louisiana or Municipal Police Employees Retirement System of Louisiana.

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

A. Municipal Employee Retirement System of Louisiana (System)

Plan Description. The system is the administrator of a cost-sharing, multiple-employer public employee retirement systems (PERS), and is controlled and administered by a separate board of trustees. The System was established and provided for by R.S. 11:1731 of the Louisiana Revised Statutes (LRS). The System provides retirement benefits to employees of all incorporated villages, towns, and cities within the State which do not have their own retirement system and which elect to become members of the System.

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

The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. Any person eligible for membership whose first employment making him eligible for membership in the System occurred on or after January 1, 2013 shall become a member of the MERS Plan A Tier 2 or MERS Plan B Tier 2 of the System as a condition of employment. All employees of the Town are members of Plan B.

Retirement Benefits:

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

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

1. Any age with thirty (30) years of creditable service.
2. Age 60 with a minimum of ten (10) or more years of creditable service.

Generally, the monthly amount of the retirement allowance for any member of Plan B shall consist of an amount equal to two percent of the member's monthly average final compensation multiplied by his years of creditable service. Final compensation is the average monthly earnings during the highest sixty consecutive months or joined months if service was interrupted. However, under certain conditions as outlined in the statutes, the benefits are limited to specified amounts.

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

TOWN OF LIVINGSTON

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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1. Age 67 with seven (7) years of creditable service.
2. Age 62 with ten (10) years of creditable service.
3. Age 55 with thirty (30) years of creditable service.
4. Any age with twenty-five (25) years of creditable service, exclusive of military service and unused annual sick leave, with an actuarially reduced early benefit.

The monthly amount of the retirement allowance for any member of Plan B Tier 2 shall consist of an amount equal to two percent of the member's final compensation multiplied by his years of creditable service. Final average compensation is the average monthly earnings during the highest sixty consecutive months, or joined months if service was interrupted. However, under certain conditions as outlined in the statutes, the benefits are limited to specified amounts.

Survivor Benefits:

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

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

DROP Benefits:

In lieu of terminating employment and accepting a service retirement allowance, any member of Plan A or B who is eligible to retire may elect to participate in the deferred retirement option plan (DROP) for up to three years and defer the receipt of benefits. During participation in the plan, employer contributions are payable but employee contributions cease. The monthly retirement benefits that would be payable, had the person elected to cease employment and receive a service retirement allowance, are paid into the DROP Fund. Interest is earned when the member has completed DROP participation. Interest earnings are based upon the actual rate of return on the investments identified as DROP funds for the period. In addition, no cost-of-living increases are payable to participants until employment which made them eligible to become members of the System has been terminated for at least one full year.

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

Disability Benefits:

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

TOWN OF LIVINGSTON

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2023

compensation, but assuming the member remained in continuous service until his earliest normal retirement age and using those retirement benefit computation factors which would be applicable to the member's normal retirement.

Cost of Living Increases:

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

Deferred Benefits:

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

The System has issued a stand-alone audit report on its financial statements for the year ended June 30, 2023. Access to the report can be found on the System's website, www.mersla.com, or on the Louisiana Legislative Auditor's website, www.la.la.gov.

Funding Policy. Contributions for all members are established by statute. Under Plan B, members are required by state statute to contribute five percent of their earnable compensation and the Town of Livingston is required to contribute at an actuarially determined rate. For the year ended June 30, 2023 the rate was 15.5 percent of member's earnings. Contributions to the System also include one-fourth of one percent of the ad valorem taxes collected within the respective parishes, except Orleans. Tax monies are apportioned between Plan A and Plan B in proportion to salaries of plan participants. Tax monies received from East Baton Rouge Parish are apportioned between this system (the Municipal Employees' Retirement System) and the Employees' Retirement System of the City of Baton Rouge and Parish of East Baton Rouge. The System also receives revenue sharing funds each year as appropriated by the Legislature. These additional sources of income are used as additional employer contributions and considered support from non-employer contributing entities, but are not considered special funding situations. Non-employer contributions are recognized as revenue and excluded from pension expense.

During the year ending December 31, 2023, the Town recognized revenue as a result of support received from non-employer contributing entities of \$31,529 for its participation in MERS-Plan B.

The Town of Livingston's contributions to the System under Plan B for the years ending December 31, 2023 and 2022 were \$125,390, and \$125,960, respectively, equal to the required contributions for each year.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: At December 31, 2023, the Town reported a liability of \$793,691 for its proportionate share of the net pension liability of the System. The net pension liability was measured as of June 30, 2023 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contribution of all participating, actuarially determined. At June 30, 2023, the Town's proportion was 0.989812%, which was an increase of 0.025157% from its proportion measured as of June 30, 2022.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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For the year ended December 31, 2023, the Town recognized pension expense for the MERS System of \$155,083 representing its proportionate share of the System's net expense, including amortization of deferred amounts.

At December 31, 2023, the Town reported deferred outflows of resources and deferred inflows of resources related to the MERS pension system from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 11,405	\$ (277)
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	102,959	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	24,383	-
Employer contributions subsequent to the measurement date	58,881	-
Total	\$ 197,628	\$ (277)

The Town reported a total of \$58,881 as deferred outflow of resources related to pension contributions made subsequent to the measurement period of June 30, 2023 which will be recognized as a reduction in net pension liability in the year ended December 31, 2024.

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

<u>Year</u>		
2024	\$	50,750
2025		24,762
2026		67,321
2027		(4,363)
	\$	138,470

Actuarial Assumptions. A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2023 is as follows:

Valuation Date	June 30, 2023
Actuarial Cost Method	Entry Age Normal Cost
Expected Remaining Service Lives	3 years
Investment Rate of Return	6.85% (net of pension plan investment expense, including inflation)

TOWN OF LIVINGSTON

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2023

Inflation Rate	2.5%
Salary Increases, including inflation and merit increases	
-1 to 4 years of service	7.4% (Plan B)
-More than 4 years of service	4.9% (Plan B)
Annuitant and beneficiary mortality	PubG-2010(B) Healthy Retiree Table set equal to 120% for males and females, each adjusted using their respective male and female MP2018 scales.
Employee mortality	PubG-2010(B) Employee Table set equal to 120% for males and females, each adjusted using their respective male and female MP2018 scales.
Disabled lives mortality	PubNS-2010(B) Disabled Retiree Table set equal to 120% for males and females with the full generational MP2018 scale.

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

The target allocation and best estimates of arithmetic real rates of return for each major asset class included in the System's target asset allocation as of June 30, 2023 are summarized in the following table:

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Asset Class	Target Asset Allocation	Long-Term Expected Portfolio Real Rate of Return
Public Equity	56%	2.44%
Public Fixed Income	29%	1.26%
Alternatives	15%	0.65%
Totals	100%	4.35%
Inflation		2.50%
Expected Arithmetic Nominal Rate		6.85%

The discount rate used to measure the total pension liability was 6.85% for the year ended June 30, 2023, which was no change from the discount rate used to measure the total pension liability for the year ended of June 30, 2022. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates, which are calculated in accordance with relevant statutes and approved by the Board of Trustees and the Public Retirement Systems' Actuarial Committee. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

Sensitivity of the Employer's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the net pension liability of the participating employers calculated using the discount rate of 6.85%, as well as what the employers' net pension liability would be if it were calculated

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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using a discount rate that is one percentage point lower, or one percentage point higher than the current rate as of June 30, 2023:

	1% Decrease	Current Discount Rate	1% Increase
Rates	5.85%	6.85%	7.85%
Town of Livingston Share of NPL	\$ 1,121,493	\$ 793,691	\$ 516,425

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

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

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

Retirement Benefits:

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

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

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

Upon the death of an active contributing member, or disability retiree, the plan provides for surviving spouses and minor children. Under certain conditions outlined in the statutes, the benefits range from 40% to 60% of the member's average final compensation for the surviving spouse. In addition, each child under age 18 receives benefits equal to 10% of the member's average final compensation or \$200 per month, whichever is greater.

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

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2023

been a member of the System for 20 years of creditable service at any age, with an actuarially reduced benefit from age 55.

Under the Hazardous and Non-Hazardous Duty sub plans, the benefit rates are 3% and 2½%, respectively, of average final compensation (average monthly earnings during the highest 60 consecutive months or joined months if service was interrupted) per number of years of creditable service not to exceed 100% of final salary.

Upon death of an active contributing member, or disability retiree, the plan provides for surviving spouses and minor children. Under certain conditions outlined in the statutes, the benefits range from 25% to 55% of the member's average final compensation for the surviving spouse. In addition, each child under age 18 receives 10% of average final compensation or \$200 per month whichever is greater. If deceased member had less than 10 years of service, beneficiary will receive a refund of employee contributions only.

Cost of Living Adjustments:

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

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

A COLA may only be granted if funds are available from interest earnings in excess of normal requirements, as determined by the actuary.

Deferred Retirement Option Plan:

A member is eligible to elect to enter the deferred retirement option plan (DROP) when he is eligible for regular retirement based on the members' sub plan participation. Upon filing the application for the program, the employee's active membership in the System is terminated. At the entry date into the DROP, the employee and employer contributions cease. The amount to be deposited into the DROP account is equal to the benefit computed under the retirement plan elected by the participant at date of application. The duration of participation in the DROP is 36 months or less. If employment is terminated after the three-year period the participant may receive his benefits by lump sum payment or a true annuity. If employment is not terminated, active contributing membership into the System shall resume and upon later termination, he shall receive additional retirement benefit based on the additional service. For those eligible to enter DROP prior to January 1, 2004, DROP accounts shall earn interest subsequent to the termination of DROP participation at a rate of half of one percentage point below the percentage rate of return of the System's investment portfolio as certified by the actuary on an annual basis but will never lose money. For those eligible to enter DROP subsequent to January 1, 2004, an irrevocable election is made to earn interest based on the System's investment portfolio return or a money market investment return. This could result in a negative earnings rate being applied to the account.

If the member elects a money market investment return, the funds are transferred to a government money market account and earn interest at the money market rate.

TOWN OF LIVINGSTON

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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Initial Benefit Option Plan:

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

The System issued a stand-alone audit report on its financial statements for the year ended June 30, 2023. Access to the audit report can be found on the System's website: www.lampers.org or on the Office of Louisiana Legislative Auditor's official website: www.la.state.la.us.

Funding Policy. Contributions for all members are actuarially determined as required by state law but cannot be less than 9% of the employees' earnable compensation excluding overtime but including state supplemental pay. For the year ended June 30, 2023, total contributions due from employers and employees were 41.25%. The employer and employee contribution rates for members hired prior to January 1, 2013 and Hazardous Duty members hired after January 1, 2013 were 31.25% and 10%, respectively. The employer and employee contribution rates for all Non-Hazardous Duty members hired after January 1, 2013 were 31.25% and 8%, respectively. The employer and employee contribution rates for members whose earnable compensation is less than or equal to poverty guidelines issued by the U.S. Department of Health and Human Services were 33.75% and 7.5%, respectively.

The System also receives insurance premium tax monies as additional employer contributions. This tax is appropriated by the legislature each year based on an actuarial study. This additional source of income is used as additional employer contributions and considered support from non-employer contributing entities, but is not considered a special funding situation. Non-employer contributions are recognized as revenue and excluded from pension expense for the year ended June 30, 2023.

During the year ending December 31, 2023, the Town recognized revenue as a result of support received from non-employer contributing entities of \$19,652 for its participation in MPERS.

The Town of Livingston contributions to the System for the years ending December 31, 2023 and 2022 were \$100,519 and \$87,258, respectively. Contributions through the measurement date June 30, 2022 for the year ending December 31, 2022 were \$328 below the required contributions for the year. Contributions through the measurement date June 30, 2023 for the year ending December 31, 2023 equaled the required contributions for the year.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At December 31, 2023, the Town reported a liability of \$900,220 for its proportionate share of the net pension liability of the System. The net pension liability was measured as of June 30, 2023 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contribution of all participating, actuarially determined. At June 30, 2023, the Town's proportion was 0.085208%, which was an decrease of 0.000026% from its proportion measured as of June 30, 2022.

For the year ended December 31, 2023, the Town recognized pension expense for the MPERS System of \$158,037 representing its proportionate share of the System's net expense, including amortization of deferred amounts.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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At December 31, 2023, the Town reported deferred outflows of resources and deferred inflows of resources related to the MPERS pension system from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 63,412	\$ (377)
Changes of assumptions	15,022	-
Net difference between projected and actual earnings on pension plan investments	97,184	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	58,060	(21,364)
Employer contributions subsequent to the measurement date	52,806	-
Total	\$ 286,484	\$ (21,741)

The Town reported a total of \$52,806 as deferred outflow of resources related to pension contributions made subsequent to the measurement period of June 30, 2023 which will be recognized as a reduction in net pension liability in the year ended December 31, 2024.

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

<u>Year</u>		
2024	\$	66,093
2025		53,850
2026		96,824
2027		(4,830)
	\$	211,937

Actuarial Assumptions. A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2023 is as follows:

Valuation Date	June 30, 2023
Actuarial Cost Method	Entry Age Normal Cost
Investment Rate of Return	6.750%, net of investment expense
Expected Remaining Service Lives	4 years
Inflation Rate	2.50%

TOWN OF LIVINGSTON

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2023

Salary increases, including inflation and merit	
1-2 years of service	12.30%
Over 2 years of service	4.70%
Mortality	<p>For annuitants and beneficiaries, the Pub-2010 Public Retirement Plan Mortality Table for Safety Below-Median Healthy Retirees multiplied by 115% for males and 125% for females, each with full generational projection using the MP2019 scale was used.</p> <p>For disabled lives, the Pub-2010 Public Retirement Plans Mortality Table for Safety Disable Retirees multiplied by 105% for males and 115% for females, each with full generational projection using the MP2019 scale was used.</p> <p>For employees, the Pub-2010 Public Retirement Plans Mortality Table for Safety Below-Median Employees multiplied by 115% for males and 125% for females, each with full generational projection using the MP2019 scale was used.</p>
Cost of Living Adjustments	<p>The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost-of-living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees.</p>

The mortality rate assumption used was set based upon an experience study performed by the prior actuary on plan data for the period July 1, 2014 through June 30, 2019 and review of similar law enforcement mortality. A change was made full generational mortality which combines the use of a base mortality table with appropriate mortality improvement scales. In order to set the base mortality table, actual plan mortality experience was assigned a credibility weighting and combined with a standard table to produce current levels of mortality.

The forecasted long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by target asset allocation percentage and by adding expected inflation and an adjustment for the effect of rebalancing/diversification. The resulting forecasted long-term rate of return is 7.9% for the year ended June 30, 2023.

TOWN OF LIVINGSTON

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2023

Best estimates of arithmetic nominal rates of return for each major asset class included in the System’s target asset allocation as of June 30, 2023 are summarized in the following table:

Asset Class	Target Asset Allocation	Long-Term Expected Portfolio Real Rate of Return
Equity	52.00%	3.29%
Fixed Income	34.00%	1.12%
Alternatives	14.00%	0.95%
Totals	100.00%	5.36%
Inflation		2.54%
Expected Arithmetic Rate		7.90%

The discount rate used to measure the total pension liability was 6.75% for the year ended June 30, 2023, which was no change from the discount rate used to measure the total pension liability for the year ended of June 30, 2022. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by PRSAC taking into consideration the recommendation of the System’s actuary. Based on those assumptions, the System’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Employer’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the net pension liability of the participating employers calculated using the discount rate of 6.750%, as well as what the employers’ net pension liability would be if it were calculated using a discount rate that is one percentage point lower, or one percentage point higher than the current rate as of June 30, 2023:

	1% Decrease	Current Discount Rate	1% Increase
Rates	5.750%	6.750%	7.750%
Town of Livingston Share of NPL	\$ 1,266,680	\$ 900,220	\$ 594,090

15. Restricted Fund Balances/Net Position -

At December 31, 2023, the General Fund had nonspendable fund balance of \$32,044 created from prepaid expenses.

TOWN OF LIVINGSTON

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2023

At December 31, 2023, the proprietary fund and the business-type activities in the government-wide financial statements had restricted net position of \$2,003,721, representing the Town's fund balance restricted by revenue bond debt covenants and contracts with customers for meter deposits, net of the related liability.

16. Risk Management -

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

17. Contingent Liabilities -

At December 31, 2023, the Town was not involved in any outstanding litigation warranting accrual.

18. On-Behalf Payments for Fringe Benefits and Salaries -

For the fiscal year ended December 31, 2023, the State of Louisiana made on behalf payments in the form of supplemental pay to the Town's policemen and the fire chief. In accordance with Section N50 of the GASB Codification, the Town recorded \$49,140 of on behalf payments as revenue and as expenditures in the General Fund.

19. Fire Insurance Rebate -

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

20. Oil, Gas, and Mineral Lease -

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

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

The Town's 25 percent royalty rights under the above lease are currently assigned to TMR Exploration, Inc. During the fiscal year ending December 31, 2023, the Town of Livingston recorded \$2,457 in royalty income. The royalties received under the oil, gas, and mineral leases are reported in the Town's general fund.

TOWN OF LIVINGSTON

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2023

21. Construction Commitments -

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

In May 2022, the Town entered in an agreement with Bordelon Foreman & Associates, Inc. for administrative services in the implementation of the Livingston Water Sector Program. The amended agreement for costs equaled \$25,000. As of the current fiscal year end, \$20,288 in costs had been incurred and capitalized in the enterprise fund and business-type activities. The remaining commitment amount on the contract at the fiscal year end is \$4,712.

In July 2022, the Town entered in an agreement with Alvin Fairburn and Associates for professional services costs related to the Livingston Water Sector Program -Water Tower and Consolidation Project, which included primarily engineering, survey and inspection services. The agreement for costs equaled \$682,000. As of the current fiscal year end, \$253,500 in costs had been incurred and capitalized in the enterprise fund and business-type activities. The remaining commitment amount on the contract at the fiscal year end is \$428,500.

In February 2023, the Town entered in an agreement with Kern Architects, LLC for professional services costs related to the renovation of the old Livingston courthouse which included primarily engineering and architectural services. The agreement for costs is 8.52% of Total Construction Cost which is currently calculated as \$208,089. As of the current fiscal year end, \$121,714 in costs had been incurred in the general fund and capitalized in the governmental activities. The remaining commitment amount on the contract at the fiscal year end is \$86,375.

22. Subsequent Events -

Subsequent events have been evaluated by management through June 10, 2024, the date the financial statements were available to be issued and these financial statements considered subsequent events through such date. No other events were noted that require recording or disclosure in the financial statements for the fiscal year ending December 31, 2023.

**REQUIRED SUPPLEMENTARY
INFORMATION (PART II)**

TOWN OF LIVINGSTON

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET (GAAP BASIS) AND ACTUAL GENERAL FUND - SUMMARY

FOR THE YEAR ENDED DECEMBER 31, 2023

	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts GAAP Basis	Favorable (Unfavorable)
Revenues:				
Taxes	\$ 980,000	\$ 1,090,000	\$ 1,086,155	\$ (3,845)
Licenses and Permits	219,200	227,600	228,500	900
Sanitation Fees	270,000	271,000	271,104	104
Fines and Forfeitures	200,000	100,000	100,858	858
Intergovernmental - Grants	500,000	151,000	153,162	2,162
Intergovernmental - Other	239,600	127,600	121,460	(6,140)
Interest	500	31,000	31,742	742
Parks and Recreation	200,000	184,000	185,115	1,115
Donations	-	33,000	33,000	-
Miscellaneous	4,700	5,000	5,002	2
Total Revenues	2,614,000	2,220,200	2,216,098	(4,102)
Expenditures:				
General Government	1,051,000	1,074,150	947,293	126,857
Public Safety:				
Police	530,500	526,000	517,340	8,660
Fire	80,000	67,000	54,030	12,970
Streets	281,500	211,500	223,554	(12,054)
Sanitation	260,000	245,000	241,012	3,988
Recreation	802,000	269,000	258,334	10,666
Capital Outlays - Total	155,000	515,700	572,669	(56,969)
Debt Service:				
Lease Principal	8,000	28,500	21,292	7,208
Lease Interest	-	-	5,783	(5,783)
Total Expenditures	3,168,000	2,936,850	2,841,307	95,543
Excess Revenues (Expenditures)	(554,000)	(716,650)	(625,209)	91,441
Other Financing Sources (Uses)				
Operating Transfers In	554,000	626,950	626,950	-
Sale of Fixed Assets	-	33,000	61,033	28,033
Lease Proceeds	-	56,700	55,013	(1,687)
Total Other Financing Sources (Uses)	554,000	716,650	742,996	26,346
Net Change in Fund Balances	-	-	117,787	117,787
Fund Balances, Beginning	1,397,428	1,495,980	1,495,980	-
Fund Balances, Ending	\$ 1,397,428	\$ 1,495,980	\$ 1,613,767	\$ 117,787

See independent auditor's report.

TOWN OF LIVINGSTON

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET (GAAP BASIS) AND ACTUAL
GENERAL FUND - DETAIL

FOR THE YEAR ENDED DECEMBER 31, 2023

Revenues	Budgeted Amounts		Actual Amounts	Variance
	Original	Final	GAAP Basis	Favorable (Unfavorable)
Taxes:				
Ad Valorem	\$ 70,000	\$ 70,000	\$ 75,744	\$ 5,744
Franchise Taxes	170,000	205,000	188,913	(16,087)
Sales Taxes	740,000	815,000	821,498	6,498
Total Taxes	980,000	1,090,000	1,086,155	(3,845)
Licenses and Permits:				
Beer Permits	4,200	600	550	(50)
Building Licenses	20,000	32,000	32,154	154
Business Licenses	195,000	195,000	195,796	796
Total Licenses and Permits	219,200	227,600	228,500	900
Intergovernmental - Other:				
Chiefs Supplemental Pay	3,600	3,600	3,900	300
Livingston Parish Fire Protection District 12	55,000	55,000	50,000	(5,000)
Louisiana Fire Insurance Rebate	15,000	14,000	13,902	(98)
Louisiana Alcoholic Beverage Tax	10,000	10,000	8,418	(1,582)
Recreation District 5	120,000	-	-	-
State Supplemental Pay	36,000	45,000	45,240	240
Total Intergovernmental - Other	239,600	127,600	121,460	(6,140)
Intergovernmental - Grants:				
Fire Department Grant	-	-	4,162	4,162
Other State Grant	-	105,000	114,703	9,703
FEMA Reimbursements	500,000	46,000	34,297	(11,703)
Total Intergovernmental - Grants	500,000	151,000	153,162	2,162
Other Revenues:				
Court Fees	1,000	1,000	1,033	33
Donations	-	33,000	33,000	-
Fines and Forfeitures	200,000	100,000	100,858	858
Fire Department	-	-	60	60
Interest	500	31,000	31,742	742
Other Miscellaneous Income	1,200	1,500	1,452	(48)
Oil, Gas, and Mineral Royalties	2,500	2,500	2,457	(43)
Parks and Recreation	200,000	184,000	185,115	1,115
Sanitation Fees	270,000	271,000	271,104	104
Total Other Revenues	675,200	624,000	626,821	2,821
Total Revenues	2,614,000	2,220,200	2,216,098	(4,102)

(CONTINUED)

TOWN OF LIVINGSTON

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET (GAAP BASIS) AND ACTUAL
GENERAL FUND - DETAIL (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2023

Expenditures	Budgeted Amounts		Actual Amounts GAAP Basis	Variance Favorable (Unfavorable)
	Original	Final		
General Government:				
Salaries:				
Mayor and Aldermen	110,000	110,000	107,924	2,076
Town Clerk	68,000	68,000	64,220	3,780
Court Clerk	3,000	3,000	2,232	768
Part-Time Office	80,000	80,000	78,914	1,086
Benefits:				
Health Insurance (All Departments)	205,000	244,000	135,464	108,536
Retirement (All Departments, Except Police)	55,000	52,000	55,952	(3,952)
Payroll Taxes (All Departments)	83,000	60,500	59,850	650
Unemployment (All Departments)	2,000	2,000	1,626	374
Insurance:				
Insurance (All Departments)	120,000	95,000	93,313	1,687
Workers Compensation (All Departments)	55,000	47,000	47,311	(311)
Natural Disaster Expenditures	-	7,450	7,350	100
Other Expenditures:				
Advertising	3,000	2,000	1,375	625
Dues, Subscriptions, and Meeting	20,000	23,000	25,025	(2,025)
Miscellaneous	36,000	38,200	36,291	1,909
Professional Fees	145,000	170,000	162,072	7,928
Repairs and Maintenance	41,000	46,000	40,332	5,668
Supplies:				
Office Expenditures	18,000	18,000	20,392	(2,392)
Telephone	7,000	8,000	7,650	350
Total General Government	1,051,000	1,074,150	947,293	126,857
Public Safety:				
Police:				
Salaries	353,000	340,000	339,920	80
Benefits:				
Retirement	100,000	101,000	100,519	481
Other Expenditures	22,500	21,000	23,002	(2,002)
Supplies	10,000	13,000	6,200	6,800
Vehicle Expenditures:				
Automobile Expenditures	8,000	16,000	16,668	(668)
Fuel	37,000	35,000	31,031	3,969
Total Police	530,500	526,000	517,340	8,660
Fire:				
Salaries	40,000	29,000	27,560	1,440
Other Expenditures	40,000	38,000	26,470	11,530
Total Fire	80,000	67,000	54,030	12,970
Total Public Safety	610,500	593,000	571,370	21,630

(CONTINUED)

TOWN OF LIVINGSTON

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET (GAAP BASIS) AND ACTUAL
GENERAL FUND - DETAIL (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>GAAP Basis</u>	<u>Variance</u> <u>Favorable</u> <u>(Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Highways and Streets:				
Salaries	160,000	36,000	59,201	(23,201)
Equipment Operating Expenditures	25,000	23,000	23,000	-
Miscellaneous	29,000	79,000	78,778	222
Uniform Expense	2,500	1,500	1,036	464
Repairs and Maintenance	10,000	1,000	1,000	-
Supplies	25,000	40,000	26,826	13,174
Utilities - Street Lights	30,000	31,000	33,713	(2,713)
Total Highways and Streets	281,500	211,500	223,554	(12,054)
Sanitation:				
Collection Fees	260,000	245,000	241,012	3,988
Total Sanitation	260,000	245,000	241,012	3,988
Recreation:				
Salaries	120,000	140,000	135,601	4,399
Other Operating	-	-	120	(120)
Other Program Expenditures	150,000	97,000	100,968	(3,968)
Repairs and Maintenance	510,000	15,000	5,854	9,146
Utilities	22,000	17,000	15,791	1,209
Total Recreation	802,000	269,000	258,334	10,666
Capital Outlays:				
General Government	50,000	278,700	296,996	(18,296)
Public Safety - Police Protection	10,000	-	9,404	(9,404)
Public Safety - Fire Protection	25,000	25,000	27,358	(2,358)
Public Works - Streets	10,000	-	-	-
Recreation	60,000	212,000	238,911	(26,911)
Total Capital Outlays	155,000	515,700	572,669	(56,969)

(CONTINUED)

TOWN OF LIVINGSTON

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET (GAAP BASIS) AND ACTUAL
GENERAL FUND - DETAIL (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> GAAP Basis	<u>Variance</u> Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>		
Debt Service:				
Principal:				
Leases:				
General Government - Mayor	-	6,500	4,567	1,933
Public Safety - Police Cars	-	14,000	11,070	2,930
Public Safety - Fire Dept. Vehicles	8,000	8,000	5,655	2,345
Total Principal Payments	<u>8,000</u>	<u>28,500</u>	<u>21,292</u>	<u>7,208</u>
Interest:				
Leases				
General Government - Mayor	-	-	1,436	(1,436)
Public Safety - Police Cars	-	-	2,490	(2,490)
Public Safety - Fire Dept. Vehicles	-	-	1,857	(1,857)
Total Interest Payments	<u>-</u>	<u>-</u>	<u>5,783</u>	<u>(5,783)</u>
Total Expenditures	<u>3,168,000</u>	<u>2,936,850</u>	<u>2,841,307</u>	<u>95,543</u>
Excess Revenues (Expenditures)	<u>(554,000)</u>	<u>(716,650)</u>	<u>(625,209)</u>	<u>91,441</u>
Other Financing Sources (Uses)				
Operating Transfers In	554,000	626,950	626,950	-
Sale of Fixed Assets	-	33,000	61,033	28,033
Lease Proceeds	-	56,700	55,013	(1,687)
Total Other Financing Sources (Uses)	<u>554,000</u>	<u>716,650</u>	<u>742,996</u>	<u>26,346</u>
Net Change in Fund Balances	<u>-</u>	<u>-</u>	<u>117,787</u>	<u>117,787</u>
Fund Balances, Beginning	<u>1,397,428</u>	<u>1,495,980</u>	<u>1,495,980</u>	<u>-</u>
Fund Balances, Ending	<u>\$ 1,397,428</u>	<u>\$ 1,495,980</u>	<u>\$ 1,613,767</u>	<u>\$ 117,787</u>

See independent auditor's report.

TOWN OF LIVINGSTON

SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE
NET PENSION LIABILITY - MERS PLAN B

LAST 10 FISCAL YEARS*

Municipal Employees' Retirement System

	Employer's Proportion of the Net Pension Liability (Assets)	Employer's Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered Payroll	Employer's Proportionate Share of the Net Position Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2015	0.655337%	\$ 445,398	\$ 438,698	101.527219%	68.713552%
2016	0.725574%	\$ 601,434	\$ 539,127	111.556949%	62.110276%
2017	0.798132%	\$ 690,570	\$ 592,412	116.569212%	63.490937%
2018	0.830570%	\$ 702,523	\$ 615,508	114.137103%	63.940612%
2019	0.834954%	\$ 730,429	\$ 638,294	114.434571%	66.138800%
2020	0.910476%	\$ 825,097	\$ 705,591	116.937007%	66.260700%
2021	0.928871%	\$ 538,103	\$ 714,615	75.299707%	79.136289%
2022	0.964655%	\$ 846,951	\$ 775,551	109.206358%	69.555565%
2023	0.989812%	\$ 793,691	\$ 853,777	92.962331%	73.253562%

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

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

See independent auditor's report.

TOWN OF LIVINGSTON

SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE
NET PENSION LIABILITY - MPERS

LAST 10 FISCAL YEARS*

Municipal Police Employees' Retirement System

	<u>Employer's Proportion of the Net Pension Liability (Assets)</u>	<u>Employer's Proportionate Share of the Net Pension Liability (Asset)</u>	<u>Employer's Covered Payroll</u>	<u>Employer's Proportionate Share of the Net Position Liability (Asset) as a Percentage of its Covered Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</u>
2015	0.054592%	\$ 427,671	\$ 149,358	286.339648%	70.7303%
2016	0.062740%	\$ 588,051	\$ 175,749	334.596135%	66.0422%
2017	0.061000%	\$ 532,556	\$ 157,520	338.087862%	70.0815%
2018	0.062926%	\$ 531,980	\$ 191,338	278.031546%	71.8871%
2019	0.076028%	\$ 690,462	\$ 237,425	290.812678%	71.0078%
2020	0.085250%	\$ 744,239	\$ 248,719	299.228849%	70.9450%
2021	0.070610%	\$ 376,390	\$ 215,421	174.722984%	84.0881%
2022	0.085234%	\$ 871,243	\$ 276,642	314.935187%	70.7991%
2023	0.085208%	\$ 900,220	\$ 288,651	311.871430%	71.3030%

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

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

See independent auditor's report.

TOWN OF LIVINGSTON

SCHEDULE OF THE TOWN'S CONTRIBUTIONS - MERS PLAN B

FOR THE YEAR ENDED DECEMBER 31, 2023

Municipal Employees' Retirement System

	Contractually Required Contribution	Contributions in Relation to Contractually Required Contributions	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a % of Covered Payroll
2015 \$	47,466	\$ 47,466	\$ -	\$ 508,586	9.3329%
2016	57,496	57,496	-	553,820	10.3817%
2017	74,408	74,408	-	613,474	12.1290%
2018	84,296	84,296	-	618,608	13.6267%
2019	93,171	93,171	-	665,505	14.0000%
2020	109,216	109,099	117	740,181	14.7395%
2021	113,073	113,073	-	729,505	15.5000%
2022	125,960	125,960	-	812,647	15.5000%
2023	125,390	125,390	-	808,967	15.5000%

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

See independent auditor's report.

TOWN OF LIVINGSTON

SCHEDULE OF THE TOWN'S CONTRIBUTIONS - MPERS

FOR THE YEAR ENDED DECEMBER 31, 2023

Municipal Police Employees' Retirement System

	Contractually Required Contribution	Contributions in Relation to Contractually Required Contributions	Contribution Deficiency (Excess)	Employer's Covered Employee Payroll	Contributions as a % of Covered Payroll
2015 \$	52,717	\$ 52,717	\$ -	\$ 172,672	30.5301%
2016	54,388	54,388	-	176,302	30.8493%
2017	56,569	56,569	-	180,955	31.2614%
2018	66,040	66,040	-	210,648	31.3509%
2019	79,725	79,725	-	246,261	32.3742%
2020	82,259	82,259	-	248,418	33.1131%
2021	71,507	69,479	2,028	226,826	30.6310%
2022	87,586	87,258	328	287,497	30.3508%
2023	100,519	100,519	-	308,336	32.6004%

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

See independent auditor's report.

TOWN OF LIVINGSTON
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
 FOR THE YEAR ENDED DECEMBER 31, 2023

Pension Plan Schedules - Municipal Employees' Retirement System

A. Changes of Benefit Terms

There were no changes in benefit terms during any of the years presented.

B. Changes of Assumptions

Fiscal Year Ended December 31,	Measurement Date - June 30,	Discount Rate	Investment Rate of Return	Inflation Rate	Expected Remaining Service Lives	Projected Salary Increase
2015	2015	7.500%	7.500%	2.875%	4	5.00%
2016	2016	7.500%	7.500%	2.875%	4	5.00%
2017	2017	7.400%	7.400%	2.775%	4	5.00%
2018	2018	7.275%	7.275%	2.600%	3	5.00%
2019	2019	7.000%	7.000%	2.500%	3	7.40% for 1-4 years of service; 4.90% for more than 4 years of service
2020	2020	6.950%	6.950%	2.500%	3	7.40% for 1-4 years of service; 4.90% for more than 4 years of service
2021	2021	6.850%	6.850%	2.500%	3	7.40% for 1-4 years of service; 4.90% for more than 4 years of service
2022	2022	6.850%	6.850%	2.500%	3	7.40% for 1-4 years of service; 4.90% for more than 4 years of service
2023	2023	6.850%	6.850%	2.500%	3	7.40% for 1-4 years of service; 4.90% for more than 4 years of service

Additionally, the following mortality tables were used to develop mortality rates:

Fiscal Year Ended December 31,	Measurement Date - June 30,	Mortality
2015	2015	RP-2000 Healthy Annuitant Table set forward 2 years for males and set forward 1 year for females for healthy annuitants; RP-2000 Employees Table set back 2 years for both males and females for active employees; RP-2000 Disabled Lives Mortality Table set back 5 years for males and set back 3 years for females for disabled annuitants.
2016	2016	RP-2000 Healthy Annuitant Sex Distinct Mortality Tables set forward 2 years for males and set forward 1 year for females projected to 2028 using scale AA for annuitants and beneficiaries; RP-2000 Employees Sex Distinct Table set back 2 years for both males and females for employees; RP-2000 Disabled Lives Mortality Table set back 5 years for males and set back 3 years for females for disabled annuitants.
2017	2017	RP-2000 Healthy Annuitant Sex Distinct Mortality Tables set forward 2 years for males and set forward 1 year for females projected to 2028 using scale AA for annuitants and beneficiaries; RP-2000 Employees Sex Distinct Table set back 2 years for both males and females for employees; RP-2000 Disabled Lives Mortality Table set back 5 years for males and set back 3 years for females for disabled annuitants.
2018	2018	RP-2000 Healthy Annuitant Sex Distinct Mortality Tables set forward 2 years for males and set forward 1 year for females projected to 2028 using scale AA for annuitants and beneficiaries; RP-2000 Employees Sex Distinct Table set back 2 years for both males and females for employees; RP-2000 Disabled Lives Mortality Table set back 5 years for males and set back 3 years for females for disabled annuitants.
2019	2019	PubG-2010(B) Healthy Retiree Table set equal to 120% for males and females, each adjusted using their respective male and female MP2018 scales for annuitants and beneficiaries; PubG-2010(B) Employee Table set equal to 120% for males and females, each adjusted using their respective male and female MP2018 scales for employees; PubNS-2010(B) Disabled Retiree Table set equal to 120% for males and females with the full generational MP2018 scales for disabled annuitants.
2020	2020	PubG-2010(B) Healthy Retiree Table set equal to 120% for males and females, each adjusted using their respective male and female MP2018 scales for annuitants and beneficiaries; PubG-2010(B) Employee Table set equal to 120% for males and females, each adjusted using their respective male and female MP2018 scales for employees; PubNS-2010(B) Disabled Retiree Table set equal to 120% for males and females with the full generational MP2018 scales for disabled annuitants.
2021	2021	PubG-2010(B) Healthy Retiree Table set equal to 120% for males and females, each adjusted using their respective male and female MP2018 scales for annuitants and beneficiaries; PubG-2010(B) Employee Table set equal to 120% for males and females, each adjusted using their respective male and female MP2018 scales for employees; PubNS-2010(B) Disabled Retiree Table set equal to 120% for males and females with the full generational MP2018 scales for disabled annuitants.
2022	2022	PubG-2010(B) Healthy Retiree Table set equal to 120% for males and females, each adjusted using their respective male and female MP2018 scales for annuitants and beneficiaries; PubG-2010(B) Employee Table set equal to 120% for males and females, each adjusted using their respective male and female MP2018 scales for employees; PubNS-2010(B) Disabled Retiree Table set equal to 120% for males and females with the full generational MP2018 scales for disabled annuitants.
2023	2023	PubG-2010(B) Healthy Retiree Table set equal to 120% for males and females, each adjusted using their respective male and female MP2018 scales for annuitants and beneficiaries; PubG-2010(B) Employee Table set equal to 120% for males and females, each adjusted using their respective male and female MP2018 scales for employees; PubNS-2010(B) Disabled Retiree Table set equal to 120% for males and females with the full generational MP2018 scales for disabled annuitants.

See independent auditor's report.

TOWN OF LIVINGSTON
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2023

Pension Plan Schedules - Municipal Police Employees' Retirement System

A. Changes of Benefit Terms

There were no changes in benefit terms during any of the years presented.

B. Changes of Assumptions

Fiscal Year Ended December 31,	Measurement Date - June 30,	Discount Rate	Investment Rate of Return	Inflation Rate	Expected Remaining Service Lives	Projected Salary Increase
2015	2015	7.500%	7.500%	2.875%	4	9.75% for 1-2 years of service; 4.75% for 3-23 years of service; 4.25% for over 23 years of service
2016	2016	7.500%	7.500%	2.875%	4	9.75% for 1-2 years of service; 4.75% for 3-23 years of service; 4.25% for over 23 years of service
2017	2017	7.325%	7.325%	2.700%	4	9.75% for 1-2 years of service; 4.75% for 3-23 years of service; 4.25% for over 23 years of service
2018	2018	7.200%	7.200%	2.600%	4	9.75% for 1-2 years of service; 4.75% for 3-23 years of service; 4.25% for over 23 years of service
2019	2019	7.125%	7.125%	2.500%	4	9.75% for 1-2 years of service; 4.75% for 3-23 years of service; 4.25% for over 23 years of service
2020	2020	6.950%	6.950%	2.500%	4	12.30% for 1-2 years of service; 4.70% for over 2 years of service
2021	2021	6.750%	6.750%	2.500%	4	12.30% for 1-2 years of service; 4.70% for over 2 years of service
2022	2022	6.750%	6.750%	2.500%	4	12.30% for 1-2 years of service; 4.70% for over 2 years of service
2023	2023	6.750%	6.750%	2.500%	4	12.30% for 1-2 years of service; 4.70% for over 2 years of service

Additionally, the following mortality tables were used to develop mortality rates:

Fiscal Year Ended December 31,	Measurement Date - June 30,	Mortality
2015	2015	The mortality rate assumption used was set based upon an experience study performed by the prior actuary on plan data for the period July 1, 2009 through June 30, 2014 and review of similar law enforcement mortality. The data was then assigned credibility weighting and combined with a standard table to produce current levels of mortality. This mortality was then projected forward to a period equivalent to the estimated duration of the System's liabilities. Annuity values calculated based on this mortality were compared to those produced by using a setback of standard tables. The result of the procedure indicated that these tables would produce liability values approximating the appropriate generational mortality tables.
2016	2016	RP-2000 Combined Healthy with Blue Collar Adjustment Sex Distinct Tables projected to 2029 by Scale AA (set back 1 year for females) for healthy annuitants and beneficiaries; RP-2000 Disabled Lives Table set back 5 years for males and set back 3 years for females for disabled annuitants; RP-2000 Employee Table set back 4 years for males and 3 years for females for active employees.
2017	2017	RP-2000 Combined Healthy with Blue Collar Adjustment Sex Distinct Tables projected to 2029 by Scale AA (set back 1 year for females) for healthy annuitants and beneficiaries; RP-2000 Disabled Lives Table set back 5 years for males and set back 3 years for females for disabled annuitants; RP-2000 Employee Table set back 4 years for males and 3 years for females for active employees.
2018	2018	RP-2000 Combined Healthy with Blue Collar Adjustment Sex Distinct Tables projected to 2029 by Scale AA (set back 1 year for females) for healthy annuitants and beneficiaries; RP-2000 Disabled Lives Table set back 5 years for males and set back 3 years for females for disabled annuitants; RP-2000 Employee Table set back 4 years for males and 3 years for females for active employees.
2019	2019	RP-2000 Combined Healthy with Blue Collar Adjustment Sex Distinct Tables projected to 2029 by Scale AA (set back 1 year for females) for healthy annuitants and beneficiaries; RP-2000 Disabled Lives Table set back 5 years for males and set back 3 years for females for disabled annuitants; RP-2000 Employee Table set back 4 years for males and 3 years for females for active employees.
2020	2020	Pub-2010 Public Retirement Plans Mortality Table for Safety Below-Median Healthy Retirees multiplied by 115% for males and 125% for females, each with full generational projection using the MP2019 scale was used for annuitants and beneficiaries; Pub-2010 Public Retirement Plans Mortality Table for Safety Disabled Retirees multiplied by 105% for males and 115% for females, each with full generational projection using the MP2019 scale was used for disabled annuitants; Pub-2010 Public Retirement Plans Mortality Table for Safety Below-Median Employees multiplied by 115% for males and 125% for females, each with full generational projection using the MP2019 scale was used for active employees.
2021	2021	Pub-2010 Public Retirement Plans Mortality Table for Safety Below-Median Healthy Retirees multiplied by 115% for males and 125% for females, each with full generational projection using the MP2019 scale was used for annuitants and beneficiaries; Pub-2010 Public Retirement Plans Mortality Table for Safety Disabled Retirees multiplied by 105% for males and 115% for females, each with full generational projection using the MP2019 scale was used for disabled annuitants; Pub-2010 Public Retirement Plans Mortality Table for Safety Below-Median Employees multiplied by 115% for males and 125% for females, each with full generational projection using the MP2019 scale was used for active employees.
2022	2022	Pub-2010 Public Retirement Plans Mortality Table for Safety Below-Median Healthy Retirees multiplied by 115% for males and 125% for females, each with full generational projection using the MP2019 scale was used for annuitants and beneficiaries; Pub-2010 Public Retirement Plans Mortality Table for Safety Disabled Retirees multiplied by 105% for males and 115% for females, each with full generational projection using the MP2019 scale was used for disabled annuitants; Pub-2010 Public Retirement Plans Mortality Table for Safety Below-Median Employees multiplied by 115% for males and 125% for females, each with full generational projection using the MP2019 scale was used for active employees.
2023	2023	Pub-2010 Public Retirement Plans Mortality Table for Safety Below-Median Healthy Retirees multiplied by 115% for males and 125% for females, each with full generational projection using the MP2019 scale was used for annuitants and beneficiaries; Pub-2010 Public Retirement Plans Mortality Table for Safety Disabled Retirees multiplied by 105% for males and 115% for females, each with full generational projection using the MP2019 scale was used for disabled annuitants; Pub-2010 Public Retirement Plans Mortality Table for Safety Below-Median Employees multiplied by 115% for males and 125% for females, each with full generational projection using the MP2019 scale was used for active employees.

See independent auditor's report.

OTHER SUPPLEMENTARY INFORMATION

TOWN OF LIVINGSTON
SCHEDULE OF NET POSITION
PROPRIETARY FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2023
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2022)

	Enterprise Fund	
	2023	2022
Assets		
Current Assets:		
Cash and Cash Equivalents	\$ 737,958	\$ 4,291,600
Investments	2,940,665	-
Receivables, Net:		
Accounts	296,686	339,771
Other	1,500	17,540
Due from Other Governments	31,250	-
Inventory - Natural Gas	13,497	17,116
Prepaid Expenses	23,964	63,812
Total Current Assets	4,045,520	4,729,839
Noncurrent Assets:		
Restricted Assets:		
Restricted Cash and Cash Equivalents	2,174,165	652,691
Restricted Investments	232,708	-
Total Restricted Assets	2,406,873	652,691
Property, Plant, and Equipment:		
Construction in Progress	288,228	268,188
Property, Plant and Equipment, Net	13,842,251	14,236,895
Lease Assets, Net	162,096	161,714
Total Property, Plant, and Equipment	14,292,575	14,666,797
Other Assets:		
Unamortized Bond Insurance Costs	59,977	44,893
Total Noncurrent Assets	16,759,425	15,364,381
Total Assets	20,804,945	20,094,220
Deferred Outflows of Resources:		
Pension Related	101,820	139,504
Advanced Bond Refunding	567,575	599,854
Total Deferred Outflows of Resources	669,395	739,358
Liabilities		
Current Liabilities:		
Accounts Payable	73,581	162,470
Other Accrued Payables	187,258	448,415
Due to General Fund	232,301	781,056
Customer Deposits	246,045	235,868
Revenue Bonds Payable	217,000	212,000
Lease Payable	50,780	39,476
Compensated Absences Payable	4,330	4,716
Total Current Liabilities	1,011,295	1,884,001
Long-Term Liabilities:		
Bonds Payable	10,955,274	9,439,971
Lease Payable	118,314	125,387
Net Pension Liability	423,152	454,077
Compensated Absences Payable	6,563	3,172
Total Long-Term Liabilities	11,503,303	10,022,607
Total Liabilities	12,514,598	11,906,608
Deferred Inflows of Resources:		
Pension Related	6,813	12,943
Total Deferred Inflows of Resources	6,813	12,943
Net Position:		
Net Investment in Capital Assets	5,449,392	5,358,668
Restricted for:		
Capital Projects and Debt Service	2,003,721	257,050
Unrestricted	1,499,816	3,298,309
Total Net Position	\$ 8,952,929	\$ 8,914,027

See independent auditor's report.

TOWN OF LIVINGSTON

SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2023
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2022)

	Enterprise Fund	
	2023	2022
Operating Revenues:		
Gas Sales	\$ 599,532	\$ 709,658
Less Cost of Gas Sold	(159,479)	(291,324)
Gross Profit on Gas Sales	440,053	418,334
Water Sales	1,277,204	1,183,576
Sewer Service Charges	1,140,449	1,070,315
Intergovernmental	18,307	15,925
Other	350,414	187,982
Total Operating Revenues	3,226,427	2,876,132
Operating Expenses:		
Bad Debts	23,993	-
Depreciation and Amortization	611,048	518,090
Employee Benefits	227,516	192,577
Insurance	131,949	92,561
Other	323,608	270,253
Professional Fees	109,107	146,167
Repairs and Maintenance	267,064	217,624
Salaries and Wages	529,526	443,175
Supplies	26,584	31,713
Utilities	155,355	152,246
Total Operating Expenses	2,405,750	2,064,406
Operating Income (Loss)	820,677	811,726
Nonoperating Revenues (Expenses):		
Realized Gain (Loss) on Sale of Assets	32,665	1,300
Bond Issuance Costs	(83,090)	-
Interest Income	181,045	24,545
Interest Expense	(400,195)	(338,140)
State Grant	31,250	-
Federal Grant	83,500	-
Total Nonoperating Revenues (Expenses)	(154,825)	(312,295)
Income (Loss) Before Contributions and Transfers	665,852	499,431
Operating Transfers Out	(626,950)	-
Change in Net Position	38,902	499,431
Total Net Position, Beginning	8,914,027	8,414,596
Total Net Position, Ending	\$ 8,952,929	\$ 8,914,027

See independent auditor's report.

TOWN OF LIVINGSTON

SCHEDULE OF CASH FLOWS
PROPRIETARY FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2023
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2022)

	<u>Enterprise Fund</u>	
	<u>2023</u>	<u>2022</u>
Cash Flows From Operating Activities:		
Received from Customers	\$ 3,060,270	\$ 2,930,948
Received for Meter Deposit Fees	10,177	10,816
Other Receipts	353,511	247,987
Payments for Operations	(1,239,911)	(1,153,897)
Payments to Employees	(1,300,007)	(774,492)
Net Cash Provided by Operating Activities	<u>884,040</u>	<u>1,261,362</u>
Cash Flows From Noncapital Financing Activities:		
Transfers From (To) Other Funds	(626,950)	-
Other Grant Funds Received	114,750	-
Net Cash Used in Noncapital Financing Activities	<u>(512,200)</u>	<u>-</u>
Cash Flows From Capital and Related Financing Activities:		
Proceeds from Sale of Capital Acquisitions	32,924	1,300
Payments for Capital Acquisitions	(484,370)	(557,573)
Payments for Debt Issue Costs	(83,090)	-
Cash received on Capital Grants	-	13,060
Principal Proceeds from (Repayments for) Long-Term Debt	1,494,774	(189,813)
Interest Payments for Long Term Debt	(371,918)	(339,521)
Net Cash Provided by (Used in) Capital and Related Financing Activities	<u>588,320</u>	<u>(1,072,547)</u>
Cash Flows From Investing Activities		
Receipt of Interest	181,045	24,545
Proceeds from Sale of (Payments for) Investments	(3,173,373)	-
Net Cash Provided by Investing Activities	<u>(2,992,328)</u>	<u>24,545</u>
Net Cash Increase (Decrease) in Cash and Cash Equivalents	(2,032,168)	213,360
Cash and Cash Equivalents, Beginning of Year	<u>4,944,291</u>	<u>4,730,931</u>
Cash and Cash Equivalents, End of Year	<u>\$ 2,912,123</u>	<u>\$ 4,944,291</u>
Reconciliation of Cash and Cash Equivalents to the Statement of Net Position:		
Cash and Cash Equivalents, Unrestricted	\$ 737,958	\$ 4,291,600
Cash and Cash Equivalents, Restricted	<u>2,174,165</u>	<u>652,691</u>
Total Cash and Cash Equivalents	<u>\$ 2,912,123</u>	<u>\$ 4,944,291</u>

(CONTINUED)

TOWN OF LIVINGSTON

SCHEDULE OF CASH FLOWS
PROPRIETARY FUNDS (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2023
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2022)

	Enterprise Fund	
	2023	2022
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities		
Operating Income	\$ 820,677	\$ 811,726
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:		
Depreciation and Amortization	611,048	518,090
(Increase) Decrease in Accounts Receivable	43,085	(32,601)
(Increase) Decrease in Other Receivable	(15,210)	44,080
(Increase) Decrease in Inventory	3,619	(461)
(Increase) Decrease in Prepaid Expenses	39,848	(37,323)
(Increase) Decrease in Deferred Outflows of Resources	37,684	(80,652)
(Increase) Decrease in Due (to) and from Other Funds	(548,755)	(143,508)
Increase (Decrease) in Accounts Payable	(88,889)	85,941
Increase (Decrease) in Compensated Absences	3,005	(1,513)
Increase (Decrease) in Deferred Inflows of Resources	(6,130)	(89,356)
Increase (Decrease) in Accrued Expenses	(26,119)	176,123
Increase (Decrease) in Customer Deposits	10,177	10,816
Net Cash Provided by Operating Activities	<u>\$ 884,040</u>	<u>\$ 1,261,362</u>

See independent auditor's report.

TOWN OF LIVINGSTON

COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS, ENTERPRISE FUND - UTILITY SYSTEMS

FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>Gas Utility System</u>	<u>Water Utility System</u>	<u>Sewer Utility System</u>	<u>Total Enterprise Fund</u>
Operating Revenues:				
Gas Sales	\$ 599,532	\$ -	\$ -	\$ 599,532
Less Cost of Gas Sold	(159,479)	-	-	(159,479)
Gross Profit on Gas Sales	440,053	-	-	440,053
Water Sales	-	1,277,204	-	1,277,204
Sewer Service Charges	-	-	1,140,449	1,140,449
Intergovernmental	5,492	7,323	5,492	18,307
Other	15,789	160,221	174,404	350,414
Total Operating Revenues	<u>461,334</u>	<u>1,444,748</u>	<u>1,320,345</u>	<u>3,226,427</u>
Operating Expenses:				
Bad Debts	7,185	9,580	7,228	23,993
Depreciation and Amortization	37,628	170,535	402,885	611,048
Employee Benefits	68,270	91,021	68,225	227,516
Insurance	51,641	28,666	51,642	131,949
Other	45,365	98,621	179,622	323,608
Professional Fees	42,142	37,886	29,079	109,107
Repairs and Maintenance	28,316	151,485	87,263	267,064
Salaries and Wages	158,858	211,810	158,858	529,526
Supplies	7,412	11,760	7,412	26,584
Utilities	2,100	39,205	114,050	155,355
Total Operating Expenses	<u>448,917</u>	<u>850,569</u>	<u>1,106,264</u>	<u>2,405,750</u>
Operating Income (Loss)	<u>12,417</u>	<u>594,179</u>	<u>214,081</u>	<u>820,677</u>
Nonoperating Revenues (Expenses)				
Realized Gain (Loss) on Sale of Assets	9,000	14,665	9,000	32,665
Bond Issuance Costs	-	-	(83,090)	(83,090)
Grants - State	-	31,250	-	31,250
Grants - Federal	-	-	83,500	83,500
Interest Income	30,699	103,668	46,678	181,045
Interest Expense	(3,108)	(64,783)	(332,304)	(400,195)
Total Nonoperating Revenues (Expenses)	<u>36,591</u>	<u>84,800</u>	<u>(276,216)</u>	<u>(154,825)</u>
Income (Loss) Before Contributions and Transfers	<u>49,008</u>	<u>678,979</u>	<u>(62,135)</u>	<u>665,852</u>
Operating Transfers Out	(188,085)	(250,780)	(188,085)	(626,950)
Change in Net Position	<u>(139,077)</u>	<u>428,199</u>	<u>(250,220)</u>	<u>38,902</u>
Total Net Position, Beginning				<u>8,914,027</u>
Total Net Position, Ending				<u>\$ 8,952,929</u>

See independent auditor's report.

TOWN OF LIVINGSTON

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

BUDGET (GAAP BASIS) AND ACTUAL, PROPRIETARY FUND TYPE, ENTERPRISE FUND - GAS UTILITY SYSTEM

FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Operating Revenues:			
Gas Sales	\$ 610,000	\$ 599,532	\$ (10,468)
Less Cost of Gas Sold	<u>(170,000)</u>	<u>(159,479)</u>	<u>10,521</u>
Gross Profit on Gas Sales	440,000	440,053	53
Other			
Delinquent Charges	6,000	5,709	(291)
Service Connection Charges	9,000	10,080	1,080
Intergovernmental	<u>-</u>	<u>5,492</u>	<u>5,492</u>
Total Operating Revenues	<u>455,000</u>	<u>461,334</u>	<u>6,334</u>
Operating Expenses:			
Bad Debts	1,500	7,185	(5,685)
Depreciation and Amortization	25,000	37,628	(12,628)
Employee Benefits			
Health Insurance	30,000	30,102	(102)
Payroll Taxes	11,000	11,654	(654)
Retirement	28,000	26,514	1,486
Insurance	42,000	51,641	(9,641)
Other	42,700	45,365	(2,665)
Professional Fees	42,300	42,142	158
Repairs and Maintenance	43,000	28,316	14,684
Salaries and Wages			
Maintenance	121,000	131,638	(10,638)
Office	29,000	27,220	1,780
Supplies	7,500	7,412	88
Utilities	<u>2,300</u>	<u>2,100</u>	<u>200</u>
Total Operating Expenses	<u>425,300</u>	<u>448,917</u>	<u>(23,617)</u>
Operating Income (Loss)	<u>29,700</u>	<u>12,417</u>	<u>(17,283)</u>
Nonoperating Revenues (Expenses):			
Realized Gain (Loss) on Sale of Assets	-	9,000	9,000
Interest Income	31,000	30,699	(301)
Interest Expense	<u>(3,500)</u>	<u>(3,108)</u>	<u>392</u>
Total Nonoperating Revenues (Expenses)	<u>27,500</u>	<u>36,591</u>	<u>9,091</u>
Income (Loss) Before Contributions and Transfers	<u>57,200</u>	<u>49,008</u>	<u>(8,192)</u>
Contributions and Transfers:			
Operating Transfers Out	<u>(188,085)</u>	<u>(188,085)</u>	<u>-</u>
Change in Net Position	<u>\$ (130,885)</u>	<u>\$ (139,077)</u>	<u>\$ (8,192)</u>

See independent auditor's report.

TOWN OF LIVINGSTON

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

BUDGET (GAAP BASIS) AND ACTUAL, PROPRIETARY FUND TYPE, ENTERPRISE FUND - WATER UTILITY SYSTEM

FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Operating Revenues:			
Water Sales	\$ 1,275,000	\$ 1,277,204	\$ 2,204
Other			
Delinquent Charges	18,000	17,657	(343)
Miscellaneous	500	42,122	41,622
Service Connection Charges	68,000	67,925	(75)
DHH Fees Collected	32,000	32,517	517
Intergovernmental	-	7,323	7,323
Total Operating Revenues	<u>1,393,500</u>	<u>1,444,748</u>	<u>51,248</u>
Operating Expenses:			
Bad Debts	2,000	9,580	(7,580)
Depreciation and Amortization	152,000	170,535	(18,535)
Employee Benefits			
Health Insurance	41,000	40,136	864
Payroll Taxes	15,000	15,539	(539)
Retirement	38,000	35,346	2,654
Insurance	56,000	28,666	27,334
Other			
Contract Services	31,000	36,204	(5,204)
Miscellaneous	13,500	14,413	(913)
Safe Drinking Water Fees	33,000	30,689	2,311
Vehicle Expense	17,000	17,315	(315)
Professional Fees	36,000	37,886	(1,886)
Repairs and Maintenance	201,000	151,485	49,515
Salaries and Wages			
Maintenance	162,000	175,517	(13,517)
Office	37,000	36,293	707
Supplies	13,000	11,760	1,240
Utilities	40,000	39,205	795
Total Operating Expenses	<u>887,500</u>	<u>850,569</u>	<u>36,931</u>
Operating Income (Loss)	<u>506,000</u>	<u>594,179</u>	<u>88,179</u>
Nonoperating Revenues (Expenses):			
Realized Gain (Loss) on Sale of Assets	16,000	14,665	(1,335)
Grants - State	-	31,250	31,250
Interest Income	44,500	103,668	59,168
Interest Expense	(4,500)	(64,783)	(60,283)
Total Nonoperating Revenues (Expenses)	<u>56,000</u>	<u>84,800</u>	<u>28,800</u>
Income (Loss) Before Contributions and Transfers	<u>562,000</u>	<u>678,979</u>	<u>116,979</u>
Operating Transfers Out	(250,780)	(250,780)	-
Change in Net Position	<u>\$ 311,220</u>	<u>\$ 428,199</u>	<u>\$ 116,979</u>

See independent auditor's report.

TOWN OF LIVINGSTON

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

BUDGET (GAAP BASIS) AND ACTUAL, PROPRIETARY FUND TYPE, ENTERPRISE FUND - SEWER UTILITY SYSTEM

FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Operating Revenues:			
Sewer Charges	\$ 1,120,000	\$ 1,140,449	\$ 20,449
Other			
Delinquent Charges	18,000	18,614	614
Licenses and Permits	-	4,900	4,900
Sewer Impact Fees	150,000	150,890	890
Intergovernmental	-	5,492	5,492
Total Operating Revenues	<u>1,288,000</u>	<u>1,320,345</u>	<u>32,345</u>
Operating Expenses:			
Bad Debts	1,500	7,228	(5,728)
Depreciation and Amortization	390,000	402,885	(12,885)
Employee Benefits			
Health Insurance	30,000	30,101	(101)
Payroll Taxes	11,000	11,610	(610)
Retirement	28,000	26,514	1,486
Insurance	42,000	51,642	(9,642)
Other			
Contract Services	40,000	32,390	7,610
Miscellaneous	25,570	25,373	197
Sewer Expense	120,000	121,859	(1,859)
Professional Fees	30,300	29,079	1,221
Repairs and Maintenance	88,000	87,263	737
Salaries and Wages			
Maintenance	121,000	131,638	(10,638)
Office	29,000	27,220	1,780
Supplies	7,500	7,412	88
Utilities	115,000	114,050	950
Total Operating Expenses	<u>1,078,870</u>	<u>1,106,264</u>	<u>(27,394)</u>
Operating Income (Loss)	<u>209,130</u>	<u>214,081</u>	<u>4,951</u>
Nonoperating Revenues (Expenses):			
Realized Gain (Loss) on Sale of Assets	\$ -	\$ 9,000	\$ 9,000
Grants - Federal	43,000	83,500	40,500
Interest Income	31,000	46,678	15,678
Interest Expense	(418,500)	(332,304)	86,196
Bond Issuance Costs	-	(83,090)	(83,090)
Other Expense	6,000	-	(6,000)
Grant Expense	-	-	-
Total Nonoperating Revenues (Expenses)	<u>(338,500)</u>	<u>(276,216)</u>	<u>62,284</u>
Income (Loss) Before Contributions and Transfers	<u>(129,370)</u>	<u>(62,135)</u>	<u>67,235</u>
Contributions and Transfers:			
Operating Transfers Out	<u>(188,085)</u>	<u>(188,085)</u>	<u>(188,085)</u>
Change in Net Position	<u>\$ (317,455)</u>	<u>\$ (250,220)</u>	<u>\$ (120,850)</u>

See independent auditor's report.

TOWN OF LIVINGSTON

SCHEDULE OF GAS SALES AND PURCHASES
PROPRIETARY FUND TYPE

FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023	2022
Gas Sales and Purchases (Dollars):		
Gas Sales		
Volume mcf (Thousand Cubic Feet)	33,473	35,564
Dollar Amount	\$ 599,532	\$ 709,658
Cost of Gas Sold		
Volume mcf (Thousand Cubic Feet)	35,842	38,646
Dollar Amount	\$ (159,479)	\$ (291,324)
Gross Profit on Gas Sales	\$ 440,053	\$ 418,334
Gross Profit Percentage of Sales	73%	59%
Gas Unaccounted For:		
Volume mcf (Thousand Cubic Feet)	2,369	3,082
Average Cost of Unaccounted for Gas	\$ 10,540	\$ 23,231
Percentage of Purchases	7%	8%
Number of Customers:		
In Service		
Residential	685	670
Commercial	22	20
Industrial	3	3
Total Number of Customers	710	693
Computed Amounts per Customer (per mcf (Thousand Cubic Feet)):		
Gas Sales	\$ 17.91	\$ 19.95
Gas Purchases	(4.45)	(7.54)
Subtotal	13.46	12.41
Unaccounted for Gas Purchases	(0.29)	(0.60)
Gross Profit	\$ 13.17	\$ 11.81
Average Monthly Customer Bill:		
Residential	\$ 45.74	\$ 56.00
Commercial	\$ 837.30	\$ 1,100.95
Industrial	\$ 24.00	\$ 20.00

See independent auditor's report.

TOWN OF LIVINGSTON

SCHEDULE OF GAS, WATER AND SEWER RATES
PROPRIETARY FUND TYPE

FOR THE YEAR ENDED DECEMBER 31, 2023

Gas

<u>Residential Rates</u>		<u>Commercial</u>	<u>Industrial</u>	
<u>In Town</u>	<u>Out of Town</u>	<u>In or Out of Town</u>	<u>In or Out of Town</u>	
\$ 11.72	\$ 14.91	\$ 17.04	\$ 26.63	(Flat Fee)
\$ 0.96	\$ 1.06	\$ 1.17	\$ 0.08	- Per 1,000 Cubic Feet

Water

<u>Residential Rates</u>		<u>Commercial</u>		
<u>In Town</u>	<u>Out of Town</u>	<u>In Town</u>	<u>Out of Town</u>	
\$ 22.32		\$ 26.67		- First 3,000 Gallons (Flat Fee)
\$ 2.93		\$ 3.19		- Per 1,000 Gallons for all over 3,000 Gallons
	\$ 25.56		\$ 30.82	- First 2,000 Gallons (Flat Fee)
	\$ 3.19		\$ 3.19	- Per 1,000 Gallons for all over 2,000 Gallons
<u>Industrial</u>				
<u>In Town</u>	<u>Out of Town</u>			
\$ 100.94	\$ 122.19			- First 50,000 Gallons (Flat Fee)
\$ 3.00	\$ 3.19			- Per 1,000 Gallons for all over 50,000 Gallons

Sewer

<u>Residential</u>		<u>Commercial</u>	<u>Industrial</u>	
<u>In Town</u>	<u>Out of Town</u>	<u>In or Out of Town</u>	<u>In or Out of Town</u>	
\$ 34.00	\$ 36.66			- First 2,000 Gallons (Flat Fee)
\$ 3.40	\$ 4.20			Per 1,000 Gallons for all over 2,000 Gallons
		\$ 48.88		- First 5,000 Gallons (Flat Fee)
		\$ 5.85		- Per 1,000 Gallons for all over 5,000 Gallons
			\$ 106.25	- First 25,000 Gallons (Flat Fee)
			\$ 6.38	- Per 1,000 Gallons for all over 25,000 Gallons

! See independent auditor's report.

SCHEDULE OF NUMBER OF UTILITY CUSTOMERS
PROPRIETARY FUND TYPE

FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>Residential</u>	<u>Commercial</u>	<u>Industrial</u>	<u>Total</u>
Gas	685	22	3	710
Water	2,640	96	3	2,739
Sewer	1,521	85	3	1,609
Total	<u>4,846</u>	<u>203</u>	<u>9</u>	<u>5,058</u>

See independent auditor's report.

TOWN OF LIVINGSTON

SCHEDULE OF INSURANCE

FOR THE YEAR ENDED DECEMBER 31, 2023

<u>Insurance Company/ Policy Number</u>	<u>Coverage</u>	<u>Amount</u>	<u>Period</u>
Lloyd's London LMA2300073	Commercial Auto Physical Damage Auto Physical Damage	\$ 567,389	5/25/2023 to 5/25/2024
LMA2300068	Commercial Auto Physical Damage - Fire Department Auto Physical Damage	\$ 510,000	5/25/2023 to 5/25/2024
EMC Insurance Company T224447-24	Government Crime Policy Employee Theft	\$ 25,000	1/23/2022 to 1/23/2023
2X41022-24	Business Protection Building Personal Property Water Towers Property in the Open Inland Marine	\$ 6,868,188 \$ 243,410 \$ 2,149,875 \$ 3,965,696 \$ 319,603	12/10/2023 to 12/10/2024
S089816	Fidelity Bond	\$ 300,000	9/22/2023 to 9/22/2024
Louisiana Municipal Risk Management Agency 100-1158-2023-18742	Liability Policy Auto Liability Commercial General Liability Occurrence Aggregate Law Enforcement Officers' Comprehensive Liability Public Officials' Errors & Omissions Liability	\$ 500,000 \$ 500,000 \$ 500,000 \$ 500,000 \$ 500,000	5/23/2023 to 5/23/2024
Selective Insurance Company - National Flood Insurance Program FLD5075127	National Flood Insurance Contents	\$ 40,000	8/20/2023 to 8/20/2024
FLD4976711	National Flood Insurance Contents	\$ 15,000	8/20/2023 to 8/20/2024

See independent auditor's report.

TOWN OF LIVINGSTON

SCHEDULE OF COMPENSATION PAID TO BOARD MEMBERS

FOR THE YEAR ENDED DECEMBER 31, 2023

<u>Name and Title / Contact Number</u>	<u>Address</u>	<u>Compensation Received</u>
Jonathan "JT" Taylor, Mayor (225) 405-5840	P.O. Box 1221 Livingston, LA 70754	\$ 70,982
Joey Sibley, Alderman (225) 686-7533	P.O. Box 643 Livingston, LA 70754	7,200
Robert Stewart, Alderman (225) 301-1418	P.O. Box 1091 Livingston, LA 70754	7,200
Kacie Stewart, Alderwoman (225) 413-6187	P.O. Box 1332 Livingston, LA 70754	7,200
Jessie "Dusty" Glascock, Alderman (225) 313-9526	P.O. Box 651 Livingston, LA 70754	7,200
James Nesom, Alderman (225) 341-9764	P.O. Box 758 Livingston, LA 70754	7,200
		<u>\$ 106,982</u>

All Terms Expire on December 31, 2024

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

See independent auditor's report.

TOWN OF LIVINGSTON

SCHEDULE OF COMPENSATION, BENEFITS,
AND OTHER PAYMENTS TO AGENCY HEAD

FOR THE YEAR ENDED DECEMBER 31, 2023

Agency Head Name: Jonathan "JT" Taylor, Mayor

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 70,982
Benefits - Insurance	28,619
Benefits - Retirement	11,002
Employer Paid Medicare and Social Security	5,577
Telephone Reimbursements	900
Conference Fees	400
Travel	224
Fuel Expense	1,334
Mileage Reimbursement	0
Vehicle Lease	6,003
Other Vehicle Expenses	1,676
Business Meals	654
Uniforms	93
	<u>\$ 127,464</u>

See independent auditor's report.

TOWN OF LIVINGSTON

JUSTICE SYSTEM FUNDNG SCHEDULE - COLLECTING/DISBURSING ENTITY

FOR THE YEAR ENDED DECEMBER 31, 2023

Cash Basis Presentation	First Six Month Period Ended <u>6/30/2023</u>	Second Six Month Period Ended <u>12/31/2023</u>
Beginning Balance of Amounts Collected (i.e. Cash on Hand)	\$ -	\$ -
Add: Collections		
Criminal Fines - Other	68,824	38,270
Subtotal Collections	<u>68,824</u>	<u>38,270</u>
Less: Disbursements to Governments and Nonprofits:		
<i>Florida Parishes Juvenile Justice Center, Criminal Court Cost/Fees</i>	1,491	1,120
<i>Louisiana Commission on Law Enforcement, Criminal Court Cost/Fees</i>	736	439
<i>Louisiana Judicial College, Criminal Court Cost/Fees</i>	173	112
<i>Treasurer, State of Louisiana - CMIS, Criminal Court Cost/Fees</i>	591	224
<i>Treasurer, State of Louisiana- THSCI Trust Fund, Criminal Court Costs/Fees</i>	790	560
Less: Amounts Retained by Collecting Agency		
Town of Livingston, Criminal Fines - Other	65,043	35,815
Subtotal Disbursements/Retainage	<u>68,824</u>	<u>38,270</u>
Total: Ending Balance of Amounts Collected but not Disbursed/Retained	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>

Other Information:

Ending Balance of Total Amounts Assessed but not yet Collected	\$ 32,529	\$ 18,312
Total Waivers During the Fiscal Period	\$ 8,841	\$ 3,755

See independent auditor's report.

Minda B. Raybourn

Certified Public Accountant
Limited Liability Company

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wrcpa@huntbrothers.com

Member
AICPA

Member
LCPA

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Honorable Jonathan "JT" Taylor
and Board of Aldermen
Town of Livingston, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, and each major fund, of the Town of Livingston, Louisiana, as of and for the year ended December 31, 2023 and the related notes to the financial statements, which collectively comprise Town of Livingston, Louisiana's basic financial statements, and have issued our report thereon dated .

Report on Internal Control over Financial Reporting

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

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

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. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and responses as item 2023-001 that we consider to be material weaknesses.

Report on Compliance and Other Matters

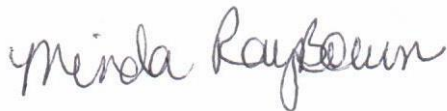
As part of obtaining reasonable assurance about whether Town of Livingston, Louisiana’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 one instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* as item 2023-C1.

Town of Livingston, Louisiana’s Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Town of Livingston, Louisiana’s response to the findings identified in our audit and described in the accompanying schedule of findings and responses. The Town of Livingston, Louisiana’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 the 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 the entity’s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Minda Raybourn
Franklinton, LA 70438
June 10, 2024

**TOWN OF LIVINGSTON, LOUISIANA
SCHEDULE OF CURRENT YEAR FINDINGS AND RESPONSES
YEAR ENDED DECEMBER 31, 2023**

Summary of Audit Results

Financial Statements

Type of auditors' report issued: Unmodified

Internal Control over Financial Reporting:

- Material weakness(es) reported? Yes
- Significant deficiency(ies) identified that
Are not considered to be material weaknesses? No

Noncompliance material to financial statements

Noted? Yes

Financial Statement Findings

Finding 2023-001 Lack of Segregation of Duties (Material Weakness)

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

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

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

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

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

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

CONTACT: Mayor Jonathan "JT" Taylor, 20550 Circle Drive, PO Box 430, Livingston, La 70754. Telephone (225) 686-7153

**OWN OF LIVINGSTON, LOUISIANA
SCHEDULE OF CURRENT YEAR FINDINGS AND RESPONSES
YEAR ENDED DECEMBER 31, 2023**

Compliance Finding

Finding 2023-C1 Disposal of Equipment

CRITERIA: The purchase and disposal of the surplus property must be treated as two separate processes. In order to dispose of the surplus equipment, the municipality should declare it surplus under the process set forth in R.S. 33:4712 and utilize one of the following methods for disposal: · 1) Sale by Public Auction under R.S. 49:125; 2) · Sale by Internet Auction under R.S. 33:4711.1; 3) · Sale under R.S. 33:4712(F) if the value of the equipment is less than \$5,000; and 4) · Sale or exchange (for fair market value) to another public entity under the local services law, R.S. 33:1321, et seq.; or 5) · Transfer of electronic devices to certified nonprofit entities in return for services under R.S. 49:125.1.

CONDITION: Three pieces of equipment were traded in for the purchase of a new piece of equipment. The equipment traded in was not declared as surplus property according to R.S. 33:4712.

CAUSE: The equipment traded in was not declared as surplus property.

EFFECT: Possible noncompliance issue.

RECOMMENDATION: In the future, any equipment that is to be traded in should be declared as surplus property.

MANAGEMENT RESPONSE: We will implement the recommendation.

CONTACT: Mayor Jonathan “JT” Taylor, 20550 Circle Drive, PO Box 430, Livingston, La 70754.
Telephone (225) 686-7153

**TOWN OF LIVINGSTON, LOUISIANA
SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES
YEAR ENDED DECEMBER 31, 2022**

Financial Statement Findings

Finding 2022-001 Lack of Segregation of Duties (Material Weakness)

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

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

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

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

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

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

CONTACT: Mayor Jonathan "JT" Taylor, 20550 Circle Drive, PO Box 430, Livingston, La 70754. Telephone (225) 686-7153

Status: Ongoing.

Finding 2022-002 Lack of Documentation on Payroll Expenditures (Material Weakness)

CRITERIA: Effective internal operation of a payroll system and an effective internal control system requires the design and implementation of standardized procedures related to the documentation, processing, and disbursing of payroll expenditures.

This includes adequate time and attendance documentation, adequate leave documentation of sick and vacation time, and adequate documentation of overtime worked. An effectively designed internal control system also includes the enforcement of policies and procedures dictating such controls.

CONDITION: Two random payroll cycles were tested for evidence of time, leave and overtime documentation. Documentation for the police department was requested several times but was not provided to me. All other departmental employees had evidence of the payroll tested without exception.

**TOWN OF LIVINGSTON, LOUISIANA
SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES
YEAR ENDED DECEMBER 31, 2022**

CAUSE OF CONDITION: The Town has policies and procedures over payroll but lacks enforcement.

EFFECT: Failure to follow effective standardized procedures of payroll and failure to enforce the effective internal controls over payroll exposes the Town to risks including misappropriation of assets and inaccurate or fraudulent financial reporting. As a result, material misstatement of the Town’s financial statements may not be prevented or detected.

RECOMMENDATION: The Town should enforce its current policies and procedures on payroll:

- 1) Time, leave, and overtime sheets to be signed by the employee and immediate supervisor.
- 2) Provide all documentation to the Town Clerk or designee for payroll processing.

MANAGEMENT RESPONSE: We will implement the auditor’s recommendation.

CONTACT: Mayor Jonathan “JT” Taylor, 20550 Circle Drive, PO Box 430, Livingston, La 70754. Telephone (225) 686-7153.

Status: Resolved.

Finding 2022-003 Late Submittal of Report (Noncompliance)

CRITERIA: Local auditees must engage a CPA firm approved by Louisiana Legislative Auditors to perform its audit or other engagement no later than sixty days after its fiscal year end. The statutory due date for an agency to file the audit report is six months after the fiscal year end.

CONDITION: The agency’s report was submitted August 2023.

CAUSE: The Town’s workpapers were provided to the auditor in May 2022 and the compilation report was provided to the auditor June 2022.

EFFECT: Noncompliance with state audit law.

RECOMMENDATION: The Town should monitor the deadlines and work diligently to have its audit complete and submitted as soon as possible.

MANAGEMENT’S RESPONSE: We will have the external CPA firm start the close of the year and compilation report as soon as possible after the end of the fiscal year.

CONTACT: Mayor Jonathan “JT” Taylor, 20550 Circle Drive, PO Box 430, Livingston, La 70754. Telephone (225) 686-7153.

Status: Resolved.

Minda B. Raybourn

Certified Public Accountant

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Honorable Mayor Jonathan “JT” Taylor
And Members of the Board of Aldermen
PO Box 430
Livingston, LA 70754
and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor’s (LLA’s) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2023 through December 31, 2023 Town of Livingston, Louisiana’s (the “Town”) management is responsible for those C/C areas identified in the SAUPs.

The Town has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA’s SAUPs for the fiscal period January 1, 2023 through December 31, 2023. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

1) Written Policies and Procedures

- A. Obtain and inspect the entity’s written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity’s operations:
 - i. ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.
No exceptions to this procedure.
 - ii. ***Purchasing***, including (1) how purchases are initiated, (2) how vendors are added to the vendor list, (3) the preparation and approval process of purchase requisitions and purchase

orders, (4) controls to ensure compliance with the Public Bid Law, and (5) documentation required to be maintained for all bids and price quotes.

No exceptions to this procedure.

- iii. **Disbursements**, including processing, reviewing, and approving.

No exceptions to this procedure.

- iv. **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

No exceptions to this procedure.

- v. **Payroll/Personnel**, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee rates of pay or approval and maintenance of pay rate schedules.

No exceptions to this procedure.

- vi. **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.

No exceptions to this procedure.

- vii. **Travel and Expense Reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.

No exceptions to this procedure.

- viii. **Credit Cards (and debit cards, fuel cards, purchase cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).

No exceptions to this procedure.

- ix. **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.

No exceptions to this procedure.

- x. **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

No exceptions to this procedure.

- xi. **Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that

backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

No exceptions to this procedure.

- xii. ***Prevention of Sexual Harassment***, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

No exceptions to this procedure.

2) Board or Finance Committee

- A. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and

- i. Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

No exceptions to this procedure.

- ii. For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual comparisons, at a minimum, on all proprietary funds, and semi-annual budget-to-actual comparisons, at a minimum, on all special revenue funds. *Alternatively, for those entities reporting on the not-for-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*

No exceptions to this procedure.

- iii. For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.

No exceptions to this procedure.

- iv. Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.

No exceptions to this procedure.

3) Bank Reconciliations

- A. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:

- i. Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);
No exceptions to this procedure.
- ii. Bank reconciliations include written evidence that a member of management or a board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation within 1 month of the date the reconciliation was prepared (e.g., initialed and dated or electronically logged); and
No exceptions to this procedure.
- iii. Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

The following have checks outstanding older than 12 months 1) general fund operating \$9,836.12, 2) utility fund operating \$6,022.06, 3) parks and recreation \$2,669.57, and 4) meter deposit account \$13,144.48.

Management Response: We will research and make the necessary corrective action to clear the outstanding checks.

4) Collections (excluding electronic funds transfers)

- A. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management’s representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).
A listing and management representation were obtained.
- B. For each deposit site selected, obtain a listing of collection locations and management’s representation that the listing is complete. Randomly select one collection location for each deposit site (e.g., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if there are no written policies or procedures, then inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that
 - i. Employees responsible for cash collections do not share cash drawers/registers;
No exceptions to this procedure.
 - ii. Each employee responsible for collecting cash is not also responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit;
No exceptions to this procedure.
 - iii. Each employee responsible for collecting cash is not also responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit; and
No exceptions to this procedure.
 - iv. The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or custodial fund additions, is (are) not also responsible for collecting cash, unless another employee/official verifies the reconciliation.
No exceptions to this procedure.

- C. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe that the bond or insurance policy for theft was in force during the fiscal period.

No exceptions to this procedure.

- D. Randomly select two deposit dates for each of the 5 bank accounts selected for Bank Reconciliations procedure #3A (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternatively, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and

- i. Observe that receipts are sequentially pre-numbered.

No exceptions to this procedure.

- ii. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip

No exceptions to this procedure.

- iii. Trace the deposit slip total to the actual deposit per the bank statement.

No exceptions to this procedure.

- iv. Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).

No exceptions to this procedure.

- v. Trace the actual deposit per the bank statement to the general ledger.

No exceptions to this procedure.

5) *Non-Payroll Disbursements (excluding card purchases, travel reimbursements, and petty cash purchases)*

- A. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).

A listing and management representation were obtained.

- B. For each location selected under procedure #5A above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, then inquire of employees about their job duties), and observe that job duties are properly segregated such that

- i. At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order or making the purchase;

No exceptions to this procedure.

- ii. At least two employees are involved in processing and approving payments to vendors;

No exceptions to this procedure.

- iii. The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files;

No exceptions to this procedure.

- iv. Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments; and

No exceptions to this procedure.

- v. Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.

No exceptions to this procedure.

[Note: Findings related to controls that constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality) should not be reported.]

- C. For each location selected under procedure #5A above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction, and

- i. Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice and supporting documentation indicates that deliverables included on the invoice were received by the entity, and

No exceptions to this procedure.

- ii. Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under procedure #5B above, as applicable.

No exceptions to this procedure.

- D. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3A, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy. *Note: If no electronic payments were made from the main operating account during the month selected the practitioner should select an alternative month and/or account for testing that does include electronic disbursements.*

No exceptions to this procedure.

6) Credit Cards/Debit Cards/Fuel Cards/Purchase Cards (Cards)

- A. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and purchase cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

A listing and management's representation were obtained.

- B. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement). Obtain supporting documentation, and
- i. Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved) by someone other than the authorized card holder (those instances requiring such approval that may constrain the legal authority of certain public officials, such as the mayor of a Lawrason Act municipality, should not be reported); and
No exceptions to this procedure.
 - ii. Observe that finance charges and late fees were not assessed on the selected statements.
No exceptions to this procedure.
- C. Using the monthly statements or combined statements selected under procedure #7B above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (e.g., each card should have 10 transactions subject to inspection). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and observe whether management had a compensating control to address missing receipts, such as a “missing receipt statement” that is subject to increased scrutiny.
No exceptions to this procedure.

7) Travel and Travel-Related Expense Reimbursements (excluding card transactions)

- A. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management’s representation that the listing or general ledger is complete. Randomly select 5 reimbursements and obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected
A listing and management’s representation were obtained.
- i. If reimbursed using a per diem, observe that the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov);
No exceptions to this procedure.
 - ii. If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased;
No exceptions to this procedure.
 - iii. Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those

individuals participating) and other documentation required by Written Policies and Procedures procedure #1A(vii); and

No exceptions to this procedure.

- iv. Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

No exceptions to this procedure.

8) Contracts

- A. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternatively, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and *A listing and management's representation were obtained.*

- i. Observe whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law;

No exceptions to this procedure.

- ii. Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter);

No exceptions to this procedure.

- iii. If the contract was amended (e.g., change order), observe that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, the documented approval); and

No exceptions to this procedure.

- iv. Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

No exceptions to this procedure.

9) Payroll and Personnel

- A. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

A listing and management's representation were obtained.

- B. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under procedure #9A above, obtain attendance records and leave documentation for the pay period, and

- i. Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory);

No exceptions to this procedure.

- ii. Observe whether supervisors approved the attendance and leave of the selected employees or officials;

No exceptions to this procedure.

- iii. Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records; and

No exceptions to this procedure.

- iv. Observe the rate paid to the employees or officials agrees to the authorized salary/pay rate found within the personnel file.

No exceptions to this procedure.

- C. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials and obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee's or official's cumulative leave records, agree the pay rates to the employee's or official's authorized pay rates in the employee's or official's personnel files, and agree the termination payment to entity policy.

No exceptions to this procedure.

- D. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

All were paid on time except for one Municipal Employees' Retirement System payment.

Management Response: We will ensure that all payments to MERS will be done by the due date.

10) Ethics

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A obtain ethics documentation from management, and

- i. Observe whether the documentation demonstrates that each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170; and

We were provided documentation on 4 out of the 5 employees.

- ii. Observe whether the entity maintains documentation which demonstrates that each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

No exceptions to this procedure.

- B. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

No exceptions to this procedure.

Management Response: We will have the agency designee ensure that all employees complete the one-hour ethics training.

11) Debt Service

- A. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each debt instrument issued as required by Article VII, Section 8 of the Louisiana Constitution.

A listing and management's representation were obtained. No exceptions to this procedure.

- B. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

No exceptions to this procedure.

12) Fraud Notice

- A. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled as required by R.S. 24:523.

No exceptions to this procedure.

- B. Observe that the entity has posted, on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

No exceptions to this procedure.

13) Information Technology Disaster Recovery/Business Continuity

- A. Perform the following procedures, **verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."**

- i. Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if there is no written documentation, then inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the government's local server or network, and (c) was encrypted.

We performed the procedure and discussed the results with management.

- ii. Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if there is no written documentation, then inquire of personnel

responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.

We performed the procedure and discussed the results with management.

- iii. Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

We performed the procedure and discussed the results with management.

- B. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in Payroll and Personnel procedure #9C. Observe evidence that the selected terminated employees have been removed or disabled from the network.

We performed the procedure and discussed the results with management.

- C. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain cybersecurity training documentation from management, and observe that the documentation demonstrates that the following employees/officials with access to the agency's information technology assets have completed cybersecurity training as required by R.S. 42:1267. The requirements are as follows:

- Hired before June 9, 2020 - completed the training; and
- Hired on or after June 9, 2020 - completed the training within 30 days of initial service or employment.

We performed the procedure and discussed the results with management.

14) Prevention of Sexual Harassment

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.

We were provided documentation on 4 out of the 5 employees.

- B. Observe that the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).

No exceptions to this procedure.

- C. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe that the report includes the applicable requirements of R.S. 42:344:

- i. Number and percentage of public servants in the agency who have completed the training requirements;
- ii. Number of sexual harassment complaints received by the agency;
- iii. Number of complaints which resulted in a finding that sexual harassment occurred;
- iv. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
- v. Amount of time it took to resolve each complaint.

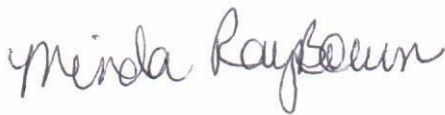
We were provided documentation on 4 out of the 5 employees.

Management Response: We will have the agency designee ensure that all employees complete the one-hour ethics training.

We were engaged by the Town to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the Town and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

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



Minda B. Raybourn CPA
Franklinton, LA
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