



# CITY OF LIVINGSTON, CALIFORNIA

JUNE 30, 2021

INDEPENDENT AUDITORS' REPORT  
AND FINANCIAL STATEMENTS

Focused  
on YOU



CITY OF LIVINGSTON, CALIFORNIA  
INDEPENDENT AUDITORS' REPORT AND  
FINANCIAL STATEMENTS  
JUNE 30, 2021

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CITY OF LIVINGSTON, CALIFORNIA  
INDEPENDENT AUDITORS' REPORT AND  
FINANCIAL STATEMENTS

JUNE 30, 2021

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CITY OF LIVINGSTON, CALIFORNIA  
INDEPENDENT AUDITORS' REPORT AND  
FINANCIAL STATEMENTS

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## INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and Members of the City Council  
City of Livingston, California

### **Report on the Financial Statements**

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Livingston, California, (the City) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2021, 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### ***Responsibilities of Management for the Financial Statements***

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the date of the financial statements.



To the Honorable Mayor and Members of the City Council  
City of Livingston, California

### ***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 opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if, there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

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

### ***Other Reporting Responsibilities***

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the budgetary comparison schedules for the general fund and major special revenue funds, the schedule of proportionate share of the net pension liability, the schedule of plan contributions, the schedule of changes in the net OPEB liability and related ratios, and the schedule of OPEB plan 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.



To the Honorable Mayor and Members of the City Council  
City of Livingston, California

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

*Supplementary Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund financial statements, and budgetary schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules 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 our report dated November 16, 2022, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Lance, Solt &amp; Lughard, LLP". The signature is written in a cursive, flowing style.

Sacramento, California  
November 16, 2022



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CITY OF LIVINGSTON

STATEMENT OF NET POSITION  
JUNE 30, 2021

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
<b>Assets</b>			
Cash and investments	\$ 13,926,216	\$ 15,313,483	\$ 29,239,699
Receivables:			
Accounts (net of allowance for uncollectibles)	221,426	888,865	1,110,291
Notes and loans	1,122,680	-	1,122,680
Prepaid costs	-	42,275	42,275
Due from other governments	1,049,505	240,552	1,290,057
Restricted assets:			
Cash with fiscal agent	829,165	319,702	1,148,867
Capital assets not being depreciated	5,581,924	7,544,972	13,126,896
Capital assets, net of depreciation	11,576,654	21,688,782	33,265,436
<b>Total Assets</b>	<b>34,307,570</b>	<b>46,038,631</b>	<b>80,346,201</b>
<b>Deferred Outflows of Resources</b>			
Deferred charge on refunding	-	47,013	47,013
Deferred pension outflows	1,355,318	425,473	1,780,791
Deferred OPEB outflows	537,968	168,951	706,919
<b>Total Deferred Outflows of Resources</b>	<b>1,893,286</b>	<b>641,437</b>	<b>2,534,723</b>
<b>Liabilities</b>			
Accounts payable	436,789	376,196	812,985
Accrued expenses	160,752	-	160,752
Accrued interest	28,833	8,612	37,445
Deposits payable	594,794	89,487	684,281
Long-term liabilities			
Compensated absences due within one year	54,426	15,946	70,373
Bonds, notes, and capital leases due within one year	130,834	342,193	473,027
Compensated absences due in more than one year	489,836	143,517	633,353
Bonds, notes, and capital leases due in more than one year	2,065,117	11,102,196	13,167,313
Net pension liability	5,704,367	1,114,830	6,819,197
Net OPEB liability	1,931,361	606,564	2,537,925
<b>Total Liabilities</b>	<b>11,597,109</b>	<b>13,799,541</b>	<b>25,396,650</b>
<b>Deferred Inflows of Resources</b>			
Deferred pension inflows	186,846	58,683	245,529
Deferred OPEB inflows	206,553	64,870	271,423
<b>Total Deferred Inflows of Resources</b>	<b>393,399</b>	<b>123,553</b>	<b>516,952</b>
<b>Net Position</b>			
Net investment in capital assets	14,962,627	17,836,378	32,799,005
Restricted for:			
Capital improvement projects	3,988,127	10,178,457	14,166,584
Circulation improvement projects	3,147,580	-	3,147,580
Lighting, landscape & park maintenance	2,788,758	-	2,788,758
Public safety programs	183,431	-	183,431
Low-income housing activities	342,223	-	342,223
Debt service	-	78,778	78,778
Unrestricted (deficit)	(1,202,398)	4,663,361	3,460,963
<b>Total Net Position</b>	<b>\$ 24,210,348</b>	<b>\$ 32,756,974</b>	<b>\$ 56,967,322</b>

CITY OF LIVINGSTON

STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2021

	Expenses	Program Revenues		
		Charges for Services	Operating Contributions and Grants	Capital Contributions and Grants
<b>Functions/Programs</b>				
<b>Primary Government:</b>				
Governmental Activities:				
General government	\$ 1,220,210	\$ -	\$ 420,996	\$ -
Public safety	4,029,481	45,927	388,115	-
Planning and community development	839,406	827,274	551,905	-
Parks and community services	779,031	-	-	-
Public works	1,683,890	21,509	1,633,154	1,924,207
Interest on long-term debt	94,343	-	-	-
<b>Total Governmental Activities</b>	<b>8,646,361</b>	<b>894,710</b>	<b>2,994,170</b>	<b>1,924,207</b>
Business-Type Activities:				
Water	2,664,162	4,661,665	-	-
Sanitation	1,515,952	1,532,177	-	-
Domestic Waste Water	1,872,781	2,243,638	-	-
Industrial Waste Water	600	-	-	-
<b>Total Business-Type Activities</b>	<b>6,053,495</b>	<b>8,437,480</b>	<b>-</b>	<b>-</b>
<b>Total Primary Government</b>	<b>\$ 14,699,856</b>	<b>\$ 9,332,190</b>	<b>\$ 2,994,170</b>	<b>\$ 1,924,207</b>

**General Revenues:**

Taxes:

Property taxes, levied for general purpose

Transient occupancy taxes

Sales taxes

Franchise taxes

Business licenses taxes

Utility users tax

Other taxes & assessments

Motor vehicle in lieu - unrestricted

Use of money and property

Other

Contribution to permanent fund

Gain on sale of capital asset

**Total General Revenues**

Change in Net Position

Net Position at Beginning of Year

Restatement of Net Position

**Net Position at End of Year**

**Net (Expenses) Revenues and Changes in Net Position**

**Primary Government**

<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
\$ (799,214)	\$ -	\$ (799,214)
(3,595,439)	-	(3,595,439)
539,773	-	539,773
(779,031)	-	(779,031)
1,894,980	-	1,894,980
(94,343)	-	(94,343)
<b>(2,833,274)</b>	<b>-</b>	<b>(2,833,274)</b>
-	1,997,503	1,997,503
-	16,225	16,225
-	370,857	370,857
-	(600)	(600)
<b>-</b>	<b>2,383,985</b>	<b>2,383,985</b>
<b>(2,833,274)</b>	<b>2,383,985</b>	<b>(449,289)</b>
3,935,218	-	3,935,218
136,331	-	136,331
1,580,870	-	1,580,870
373,581	-	373,581
123,691	-	123,691
-	-	-
-	-	-
-	-	-
108,498	71,564	180,062
36,277	580,827	617,104
-	-	-
165,000	4,200	169,200
<b>6,459,466</b>	<b>656,591</b>	<b>7,116,057</b>
3,626,192	3,040,576	6,666,768
20,516,571	28,565,603	49,082,174
67,585	1,150,795	1,218,380
<b>\$ 24,210,348</b>	<b>\$ 32,756,974</b>	<b>\$ 56,967,322</b>

CITY OF LIVINGSTON

**BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2021**

	<u>Special Revenue Funds</u>			<u>Non-Major Governmental Funds</u>
	<u>General</u>	<u>Program Income</u>	<u>Miscellaneous Districts</u>	
<b>Assets</b>				
Cash and investments	\$ 4,482,178	\$ 251,047	\$ 3,245,717	5,947,274
Accounts and interest receivable	60,199	25,262	1,425	134,540
Due from other governments	438,646	65,914	16,106	528,839
Notes and loans receivable	1,973	1,120,707	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	829,165
<b>Total Assets</b>	<b>\$ 4,982,996</b>	<b>\$ 1,462,930</b>	<b>\$ 3,263,248</b>	<b>\$ 7,439,818</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances</b>				
<b>Liabilities</b>				
Accounts payable	\$ 290,255	\$ -	\$ 25,854	\$ 120,680
Accrued expenses	160,752	-	-	-
Accrued interest payable	28,833	-	-	-
Deposits payable	146,158	-	448,636	-
<b>Total Liabilities</b>	<b>625,998</b>	<b>-</b>	<b>474,490</b>	<b>120,680</b>
<b>Deferred Inflows of Resources</b>				
Unavailable revenues	-	1,120,707	-	-
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>1,120,707</b>	<b>-</b>	<b>-</b>
<b>Fund Balances</b>				
<b>Nonspendable:</b>				
Notes and loans receivable	1,973	-	-	-
<b>Restricted for:</b>				
Capital improvement projects	-	-	-	3,988,127
Circulation improvement projects	-	-	-	3,147,580
Lighting, landscape & park maintenance	-	-	2,788,758	-
Public safety programs	-	-	-	183,431
Low-income housing activities	-	342,223	-	-
<b>Unassigned</b>	4,355,025	-	-	-
<b>Total Fund Balances</b>	<b>4,356,998</b>	<b>342,223</b>	<b>2,788,758</b>	<b>7,319,138</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 4,982,996</b>	<b>\$ 1,462,930</b>	<b>\$ 3,263,248</b>	<b>\$ 7,439,818</b>

CITY OF LIVINGSTON

**BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2021**

	<b>Total Governmental Funds</b>
<b>Assets</b>	
Cash and investments	\$ 13,926,216
Accounts and interest receivable	221,426
Due from other governments	1,049,505
Notes and loans receivable	1,122,680
Restricted assets:	
Cash and investments with fiscal agents	829,165
<b>Total Assets</b>	<b>\$ 17,148,992</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	
<b>Liabilities</b>	
Accounts payable	\$ 436,789
Accrued expenses	160,752
Accrued interest payable	28,833
Deposits payable	594,794
<b>Total Liabilities</b>	<b>1,221,168</b>
<b>Deferred Inflows of Resources</b>	
Unavailable revenues	1,120,707
<b>Total Deferred Inflows of Resources</b>	<b>1,120,707</b>
<b>Fund Balances</b>	
<b>Nonspendable:</b>	
Notes and loans receivable	1,973
<b>Restricted for:</b>	
Capital improvement projects	3,988,127
Circulation improvement projects	3,147,580
Lighting, landscape & park maintenance	2,788,758
Public safety programs	183,431
Low-income housing activities	342,223
<b>Unassigned</b>	4,355,025
<b>Total Fund Balances</b>	<b>14,807,117</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 17,148,992</b>

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CITY OF LIVINGSTON

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET POSITION  
JUNE 30, 2021

Fund balances of governmental funds		\$ 14,807,117
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets net of depreciation have not been included as financial resources in governmental fund activity.		17,158,578
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds. The details of this \$10,375,941 difference is as follows:		
Capital leases payable and other bond obligations	\$ (2,195,951)	
Net pension liability	(5,704,367)	
Net OPEB liabilities	(1,931,361)	
Compensated absences	<u>(544,262)</u>	(10,375,941)
Deferred outflows related to the net pension liability	1,355,318	
Deferred inflows related to the net pension liability	(186,846)	
Deferred outflows related to the net OPEB liability	537,968	
Deferred inflows related to the net OPEB liability	<u>(206,553)</u>	1,499,887
Revenues reported as unavailable revenue in the governmental funds and recognized in the statement of activities. These are included in the intergovernmental revenues in the governmental fund activity.		<u>1,120,707</u>
<b>Net Position of Governmental Activities</b>		<b><u>\$ 24,210,348</u></b>



CITY OF LIVINGSTON

STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2021

	Special Revenue Funds			Non-Major Governmental Funds
	General	Program Income	Miscellaneous Districts	
<b>Revenues</b>				
Taxes	\$ 6,149,691	\$ -	\$ -	\$ -
Development impact fees	-	-	-	492,008
Licenses and permits	511,771	-	-	-
Intergovernmental	650,300	244,673	-	2,272,418
Charges for services	211,253	-	-	-
Use of money and property	45,242	24,177	10,783	28,296
Fines and forfeitures	32,298	-	-	-
Maintenance assessments	-	-	1,617,794	-
Other	31,939	96	3,747	495
<b>Total Revenues</b>	<b>7,632,494</b>	<b>268,946</b>	<b>1,632,324</b>	<b>2,793,217</b>
<b>Expenditures</b>				
Current:				
General government	1,030,675	-	-	-
Public safety	3,583,788	-	-	120,501
Planning and community development	662,933	25,603	-	149,045
Parks and community services	589,958	-	-	-
Public works	318,751	-	1,176,034	488,269
Capital outlay	202,179	-	43,647	1,574,075
Debt service:				
Principal retirement	127,049	-	-	-
Interest and fiscal charges	30,707	-	-	63,636
<b>Total Expenditures</b>	<b>6,546,040</b>	<b>25,603</b>	<b>1,219,681</b>	<b>2,395,526</b>
Excess revenue over expenditures	1,086,454	243,343	412,643	397,691
<b>Other Financing Sources (Uses)</b>				
Transfers in	20,000	-	-	121,923
Transfers out	(70,313)	-	(20,000)	(51,610)
Proceeds from sale of capital asset	-	-	-	165,000
<b>Total Other Financing Sources (Uses)</b>	<b>(50,313)</b>	<b>-</b>	<b>(20,000)</b>	<b>235,313</b>
Net Change in Fund Balances	1,036,141	243,343	392,643	633,004
Fund Balances, Beginning of Year	3,320,857	98,880	2,396,115	6,686,134
<b>Fund Balances, End of Year</b>	<b>\$ 4,356,998</b>	<b>\$ 342,223</b>	<b>\$ 2,788,758</b>	<b>\$ 7,319,138</b>

CITY OF LIVINGSTON

STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2021

	<b>Total Governmental Funds</b>
<b>Revenues</b>	
Taxes	\$ 6,149,691
Development impact fees	492,008
Licenses and permits	511,771
Intergovernmental	3,167,391
Charges for services	211,253
Use of money and property	108,498
Fines and forfeitures	32,298
Maintenance assessments	1,617,794
Other	36,277
	<hr/>
<b>Total Revenues</b>	<b>12,326,981</b>
	<hr/>
<b>Expenditures</b>	
Current:	
General government	1,030,675
Public safety	3,704,289
Planning and community development	837,581
Parks and community services	589,958
Public works	1,983,054
Capital outlay	1,819,901
Debt service:	
Principal retirement	127,049
Interest and fiscal charges	94,343
	<hr/>
<b>Total Expenditures</b>	<b>10,186,850</b>
	<hr/>
Excess revenue over expenditures	2,140,131
<b>Other Financing Sources (Uses)</b>	
Transfers in	141,923
Transfers out	(141,923)
Proceeds from sale of capital asset	165,000
	<hr/>
<b>Total Other Financing Sources (Uses)</b>	<b>165,000</b>
	<hr/>
Net Change in Fund Balances	2,305,131
	<hr/>
Fund Balances, Beginning of Year	12,501,986
	<hr/>
<b>Fund Balances, End of Year</b>	<b>\$ 14,807,117</b>
	<hr/> <hr/>

**CITY OF LIVINGSTON**

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2021**

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Net change in fund balances - total governmental funds \$ 2,305,131

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 those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current period.

Capital outlay	\$ 2,379,931	
Depreciation	<u>(562,359)</u>	1,817,572

Repayment of capital leases is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

Principal repayments of capital leases		127,049
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Compensated absences expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

(10,971)

Pension obligation expenses are expenditures in governmental funds, but reduce the net pension liability in the statement of net position.

(407,415)

OPEB obligation expenses are expenditures in governmental funds, but reduce the net OPEB liability in the statement of net position.

14,254

Revenues reported as unavailable revenue in the governmental funds and recognized in the statement of activities. These are included in the intergovernmental revenues in the governmental fund activity.

(219,428)

**Change in Net Position of Governmental Activities**

**\$ 3,626,192**

CITY OF LIVINGSTON

STATEMENT OF NET POSITION  
 PROPRIETARY FUNDS  
 JUNE 30, 2021

	Business-Type Activities - Enterprise Funds				
	Water	Sanitation	Domestic Waste Water	Industrial Waste Water	Totals
<b>Assets</b>					
Current assets:					
Cash and investments	\$ 12,045,683	\$ 1,252,486	\$ 2,015,314	\$ -	\$ 15,313,483
Accounts and interest receivable, net	470,304	161,009	257,552	-	888,865
Prepaid costs	-	-	42,275	-	42,275
Due from other governments	3,407	-	237,145	-	240,552
Restricted:					
Cash with fiscal agent	319,702	-	-	-	319,702
<b>Total Current Assets</b>	<b>12,839,096</b>	<b>1,413,495</b>	<b>2,552,286</b>	<b>-</b>	<b>16,804,877</b>
Noncurrent assets:					
Advances to other funds	1,269,129	-	-	-	1,269,129
Property, plant and equipment, net of allowance for depreciation	17,650,130	14,865	11,371,007	197,752	29,233,754
<b>Total Noncurrent Assets</b>	<b>18,919,259</b>	<b>14,865</b>	<b>11,371,007</b>	<b>197,752</b>	<b>30,502,883</b>
<b>Total Assets</b>	<b>31,758,355</b>	<b>1,428,360</b>	<b>13,923,293</b>	<b>197,752</b>	<b>47,307,760</b>
<b>Deferred Outflows of Resources</b>					
Deferred charge on refunding	-	-	47,013	-	47,013
Deferred pension outflows	211,579	57,169	156,725	-	425,473
Deferred OPEB outflows	83,981	22,763	62,207	-	168,951
<b>Total Deferred Outflows of Resources</b>	<b>295,560</b>	<b>79,932</b>	<b>265,945</b>	<b>-</b>	<b>641,437</b>
<b>Liabilities</b>					
Current liabilities:					
Accounts payable	214,307	110,241	51,648	-	376,196
Accrued interest	8,612	-	-	-	8,612
Deposits payable	89,487	-	-	-	89,487
Accrued compensated absences	7,600	2,132	6,214	-	15,946
Bonds, notes, and capital leases	142,193	-	200,000	-	342,193
<b>Total Current Liabilities</b>	<b>462,199</b>	<b>112,373</b>	<b>257,862</b>	<b>-</b>	<b>832,434</b>
Noncurrent liabilities:					
Advances to other funds	-	-	-	1,269,129	1,269,129
Compensated absences	68,402	19,191	55,924	-	143,517
Bonds, notes, and capital leases	4,354,640	-	6,747,556	-	11,102,196
Net pension liability	554,254	150,142	410,434	-	1,114,830
Net OPEB liability	301,506	81,721	223,337	-	606,564
<b>Total Noncurrent Liabilities</b>	<b>5,278,802</b>	<b>251,054</b>	<b>7,437,251</b>	<b>1,269,129</b>	<b>14,236,236</b>
<b>Total Liabilities</b>	<b>5,741,001</b>	<b>363,427</b>	<b>7,695,113</b>	<b>1,269,129</b>	<b>15,068,670</b>
<b>Deferred Inflows of Resources</b>					
Deferred pension inflows	29,169	7,907	21,607	-	58,683
Deferred OPEB inflows	32,244	8,740	23,886	-	64,870
<b>Total Deferred Inflows of Resources</b>	<b>61,413</b>	<b>16,647</b>	<b>45,493</b>	<b>-</b>	<b>123,553</b>
<b>Net Position</b>					
Net investment in capital assets	13,153,297	14,865	4,470,464	197,752	17,836,378
Restricted for capital improvements projects	4,228,061	29,434	5,920,962	-	10,178,457
Restricted for debt service	78,778	-	-	-	78,778
Unrestricted (deficit)	8,791,365	1,083,919	(3,942,794)	(1,269,129)	4,663,361
<b>Total Net Position</b>	<b>\$ 26,251,501</b>	<b>\$ 1,128,218</b>	<b>\$ 6,448,632</b>	<b>\$ (1,071,377)</b>	<b>\$ 32,756,974</b>

## CITY OF LIVINGSTON

STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN FUND NET POSITION  
PROPRIETARY FUNDS  
YEAR ENDED JUNE 30, 2021

	Business-Type Activities - Enterprise Funds				Totals
	Water	Sanitation	Domestic Waste Water	Industrial Waste Water	
<b>Operating Revenues</b>					
Charges for services	\$ 4,661,665	\$ 1,532,177	\$ 2,243,638	\$ -	\$ 8,437,480
Other income	136,367	30	444,430	-	580,827
<b>Total Operating Revenues</b>	<b>4,798,032</b>	<b>1,532,207</b>	<b>2,688,068</b>	<b>-</b>	<b>9,018,307</b>
<b>Operating Expenses</b>					
Administration and general	769,579	221,737	638,629	-	1,629,945
Services and supplies	1,347,233	1,292,184	646,087	-	3,285,504
Depreciation expense	483,469	2,031	415,174	600	901,274
<b>Total Operating Expenses</b>	<b>2,600,281</b>	<b>1,515,952</b>	<b>1,699,890</b>	<b>600</b>	<b>5,816,723</b>
Operating income (loss)	2,197,751	16,255	988,178	(600)	3,201,584
<b>Nonoperating Revenues (Expenses)</b>					
Interest revenue	43,034	3,659	24,871	-	71,564
Interest expense	(63,881)	-	(172,891)	-	(236,772)
Gain on disposal of capital assets	4,200	-	-	-	4,200
<b>Total Nonoperating Revenues (Expenses)</b>	<b>(16,647)</b>	<b>3,659</b>	<b>(148,020)</b>	<b>-</b>	<b>(161,008)</b>
Change in Net Position	2,181,104	19,914	840,158	(600)	3,040,576
<b>Net Position</b>					
Beginning of Year, as previously reported	22,919,553	1,108,304	5,608,770	(1,071,024)	28,565,603
Restatements	1,150,844	-	(296)	247	1,150,795
Beginning of Year, as restated	24,070,397	1,108,304	5,608,474	(1,070,777)	29,716,398
<b>End of Year</b>	<b>\$ 26,251,501</b>	<b>\$ 1,128,218</b>	<b>\$ 6,448,632</b>	<b>\$ (1,071,377)</b>	<b>\$ 32,756,974</b>

## CITY OF LIVINGSTON

STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
YEAR ENDED JUNE 30, 2021

	<u>Business-Type Activities - Enterprise Funds</u>				
	<u>Water</u>	<u>Sanitation</u>	<u>Domestic Waste Water</u>	<u>Industrial Waste Water</u>	<u>Totals</u>
<b>Operating Activities</b>					
Receipts from customers and users	\$ 4,787,700	\$ 1,523,997	\$ 2,666,123	\$ -	\$ 8,977,820
Payments to suppliers of goods and services	(1,827,110)	(1,271,990)	(715,183)	-	(3,814,283)
Payments to employees	(819,287)	(228,746)	(679,516)	-	(1,727,549)
<b>Net Cash Provided by Operating Activities</b>	<b>2,141,303</b>	<b>23,261</b>	<b>1,271,424</b>	<b>-</b>	<b>3,435,988</b>
<b>Non-Capital Financing Activities</b>					
Payments from other governments	(3,407)	-	(237,145)	-	(240,552)
<b>Net Cash Used by Non-Capital Financing Activities</b>	<b>(3,407)</b>	<b>-</b>	<b>(237,145)</b>	<b>-</b>	<b>(240,552)</b>
<b>Capital and Related Financing Activities</b>					
Purchase of property, plant and equipment	(2,215,555)	-	(94,537)	-	(2,310,092)
Proceeds from the issuance of long-term debt	2,768,518	-	-	-	2,768,518
Proceeds from the sale of capital assets	10,200	-	-	-	10,200
Principal paid on long-term debt	(97,984)	-	(195,000)	-	(292,984)
Interest paid on long-term debt	(63,995)	-	(213,124)	-	(277,119)
<b>Net Cash Provided (Used) by Capital and Related Financing Activities</b>	<b>401,184</b>	<b>-</b>	<b>(502,661)</b>	<b>-</b>	<b>(101,477)</b>
<b>Investing Activities</b>					
Interest received	43,034	3,659	24,871	-	71,564
<b>Net Cash Provided by Investing Activities</b>	<b>43,034</b>	<b>3,659</b>	<b>24,871</b>	<b>-</b>	<b>71,564</b>
<b>Net Increase in Cash and Cash Equivalents</b>	<b>2,582,114</b>	<b>26,920</b>	<b>556,489</b>	<b>-</b>	<b>3,165,523</b>
Cash and Cash Equivalents at Beginning of Year	9,783,271	1,225,566	1,458,825	-	12,467,662
<b>Cash and Cash Equivalents at End of Year</b>	<b>\$ 12,365,385</b>	<b>\$ 1,252,486</b>	<b>\$ 2,015,314</b>	<b>\$ -</b>	<b>\$ 15,633,185</b>
<b>Cash Flows from Operating Activities</b>					
Operating income (loss)	\$ 2,197,751	\$ 16,255	\$ 988,178	\$ (600)	\$ 3,201,584
<b>Adjustments to reconcile operating income (loss) net cash provided by operating activities:</b>					
Depreciation	483,469	2,031	415,174	600	901,274
(Increase) decrease in accounts receivable	16,320	(8,210)	(21,945)	-	(13,835)
Increase in deferred outflows of resources	(136,032)	(36,698)	(100,796)	-	(273,526)
Increase in prepaid costs	-	-	(42,275)	-	(42,275)
Increase (decrease) in accounts payable and accrued liabilities	(511,353)	11,678	(52,624)	-	(552,299)
Decrease in deposits payable	(26,652)	-	-	-	(26,652)
Increase in compensated absences	12,578	9,743	7,757	-	30,078
Increase in deferred inflows of resources	15,563	4,222	11,541	-	31,326
Increase in net OPEB liability	17,340	4,700	12,844	-	34,884
Increase in net pension liability	72,319	19,540	53,570	-	145,429
<b>Total Adjustments</b>	<b>(56,448)</b>	<b>7,006</b>	<b>283,246</b>	<b>600</b>	<b>234,404</b>
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>\$ 2,141,303</b>	<b>\$ 23,261</b>	<b>\$ 1,271,424</b>	<b>\$ -</b>	<b>\$ 3,435,988</b>

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**Note 1: Summary of Significant Accounting Policies**

The financial statements of the City of Livingston (the City) have been prepared in conformity with Accounting Principles Generally Accepted in the United States of America (GAAP) as applicable to governmental entities. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following sections further describe the significant accounting policies of the City.

**Reporting Entity**

The City operates under a Council-Manager form of government. The City's major operations include public safety; highways and streets; water, sewer, and refuse collection; parks and recreation; building inspection; public improvements; planning and zoning, and general administrative services.

**Basis of Presentation – Fund Accounting**

**Government-Wide Financial Statements** - The Government-Wide Financial Statements (the Statement of Net Position and the Statement of Activities) report information of all of the nonfiduciary activities of the government. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the governmental and business-type activities of the City. Governmental activities, which normally are supported by taxes and inter-governmental revenues, are reported separately from business-type activities, which rely significantly on fees charged to external parties.

The Statement of Activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the City and for each function of the City's governmental activities. Direct expenses are those that are specifically associated with a program or function and are clearly identifiable to a particular function. Program revenues include 1) charges paid by the recipients of goods or services offered by the programs and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Net position is restricted when constraints placed on them are either externally imposed or are imposed by constitutional provisions or enabling legislation. Internally imposed designations of resources are not presented as restricted net position. When both restricted and unrestricted resources are available for use, generally, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

**Fund Financial Statements** - The Governmental Fund Financial Statements provide information about the City's funds. Separate statements for each fund category - governmental and proprietary - are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental funds are separately aggregated and reported as non-major funds.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues, such as subsidies and investment earnings, result from non-exchange transactions or ancillary activities.



**Note 1: Summary of Significant Accounting Policies (Continued)**

The City reports the following major governmental funds:

*General Fund* – The General Fund is the general operating fund of the City. It is used for all financial resources except those required legally, or by sound financial management to be accounted for in another fund. Generally, the General Fund is used to account for those traditional governmental services of the City, such as police and fire protection, public works, parks and recreation, community development, planning and general administrative services.

*Program Income Fund* - The Program Income Fund is to account for loan repayments received from low to moderate income home loans.

*Maintenance Districts Fund* - The Maintenance Districts Fund is to account for maintenance assessments collected for operation and maintenance of special assessment districts within the City's jurisdiction.

The City reports the following major enterprise funds:

*Water Fund* – The Water Fund accounts for the operation and maintenance of the City's water treatment and water transmission and distribution systems.

*Sanitation Fund* – The Sanitation Fund accounts for the operation and maintenance of the City's sanitation system.

*Domestic Waste Water Fund* – The Domestic Waste Water Fund accounts for the operation and maintenance of the City's sewer system.

*Industrial Waste Water Fund* – The Industrial Waste Water Fund accounts for the operation and maintenance of the City's industrial specific sewer system.

The Government-Wide and Proprietary Fund Financial Statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the City gives (or receives) value without directly receiving (or giving) equal value in exchange, include property and sales taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenues from sales tax are recognized when the underlying transactions take place. Revenues from grants, entitlements and donations are recognized in the fiscal year in which all eligible requirements have been satisfied.

Governmental Funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Property and sales taxes, interest, certain state and federal grants and charges for services are accrued when their receipt occurs within sixty days after the end of the accounting period so as to be both measurable and available. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, claims and judgments are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and capital leases are reported as other financing sources.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2021

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**Note 1: Summary of Significant Accounting Policies (Continued)**

Proprietary Funds distinguish operating revenues and expenses from non-operating 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. Revenues and expenses not meeting this definition are reported as non-operating.

**Financial Statement Amounts**

*Cash and Cash Equivalents* - Cash and cash equivalents represent the City's cash bank accounts including, but not limited to, certificates of deposit, money market funds and cash management pools for reporting purposes in the Statement of Cash Flows. Additionally, investments with maturities of three months or less when purchased are included as cash equivalents in the Statement of Cash Flows.

The City maintains a cash and investment pool that is available for use by all funds. Interest earnings as a result of this pooling are distributed to the appropriate funds based on month end cash balances in each fund.

Investments of the pool include only those investments authorized by the California Government Code such as, United States Treasury securities, agencies guaranteed by the United States Government, registered state warrants, and other investments. Investments primarily consist of deposits in the State of California Local Agency Investment Fund. Investments are recorded at amortized cost or fair value. Fair value is based upon quoted market prices.

*Accounts Receivable* – Billed, but unpaid, services provided to individuals or non-governmental entities are recorded as accounts receivable. The Proprietary Funds include a year-end accrual for services through the end of the fiscal year which have not yet been billed. Accounts receivable are reported net of an allowance for uncollectibles.

Merced County is responsible for the assessment, collection and apportionment of property taxes for all taxing jurisdictions. Property taxes are levied in equal installments on November 1 and February 1. They become delinquent on December 10 and April 10, respectively. The lien date is January 1 of each year. Property taxes are accounted for in the General Fund. Property tax revenues are recognized when they become measurable and available to finance current liabilities. The City considers property taxes as available if they are collected within 60 days after year end. Property tax on the unsecured roll are due on July 1 and become delinquent if unpaid on August 31. However, unsecured property taxes are not susceptible to year end accrual.

*Interfund Receivables/Payables* - Items classified as interfund receivable/payable represent short-term lending/borrowing transactions between funds. This classification also includes the current portion of an advance to or from another fund.

*Advances To/From Other Funds* - This classification represents non-current portions of any long-term lending/borrowing transactions between funds. This amount will be equally offset by a reserve of fund balance which indicates that it does not represent available financial resources and therefore, is not available for appropriation. The current portion of any interfund long-term loan (advance) is included as an interfund receivable/payable.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2021

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**Note 1: Summary of Significant Accounting Policies (Continued)**

*Capital Assets* - Capital outlays are recorded as expenditures of the General, Special Revenue, and Capital Projects Funds and as assets in the Government-Wide Financial Statements to the extent the City's capitalization threshold is met.

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 column in the Government-Wide Financial Statements. Capital assets are defined by the government as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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. Betterments and major improvements which significantly increase values, change capacities or extend useful lives are capitalized. Upon sale or retirement of fixed assets, the cost and related accumulated depreciation are removed from the respective accounts and any resulting gain or loss is included in the results of operations.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities are included as part of the capitalized value of the assets constructed.

Property, plant, and equipment of the primary government, as well as the component units, are depreciated using the straight line method over the following estimated useful lives:

	<u>Years</u>
Infrastructure	10 - 40
Buildings and structures	15 - 20
Improvement other than buildings	15
Machinery and equipment	5

*Compensated Absences* – Accumulated unpaid compensated absences (vacation, compensatory time and sick leave) are accrued as a liability and reported on the government-wide financial statements as long-term debt.

Payment of unpaid amounts are reported in the fund from which the employees who have accumulated leave are paid.

*Deposits* – Deposits principally consist of amounts collected from developers for services to be rendered by the City, including engineering, plan checks and inspections and planning review services. The City recognizes such amounts deposited as revenue when the services are performed and the corresponding expenditures are incurred.

*Long-Term Obligations* - In the Government-Wide Financial Statements and in 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. Debt principal payments of both government and business-type activities are reported as decreases in the balance of the

**Note 1: Summary of Significant Accounting Policies (Continued)**

liability on the Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, debt principal payments of Governmental Funds are recognized as expenditures when paid. Governmental Fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt 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.

*Pension* – For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City's California Public Employee Retirement System (CalPERS) plan and additions to/deduction from the Plan's fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

*Non-Current Governmental Assets/Liabilities* - GASB Statement No. 34 eliminates the presentation of account groups, but provides for these records to be maintained and incorporates the information into the Governmental Activities column in the Government-Wide Statement of Net Position.

*Net Position/Fund Balance* - The government-wide and business-type activities financial statements utilize a net position presentation. Net position is categorized as net investment in capital assets, restricted and unrestricted.

- Net Investment in Capital Assets - This category groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce the balance in this category.
- Restricted Net Position - This category presents external restrictions on net position imposed by creditors, grantors, contributors, laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.
- Unrestricted Net Position - This category represents net position of the City not restricted for any project or other purpose.

*Fund Balance* – In the fund financial statements, governmental fund balance is made up of the following components:

- Nonspendable fund balance typically includes inventories, prepaid items, long-term portion of loans receivable and other items that must be maintained intact pursuant to legal or contractual requirements, such as endowments.
- Restricted fund balance category includes amounts that can be spent only for specific purposes imposed by creditors, grantors, contributors, or laws or regulations of other governments or through enabling legislations.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2021

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**Note 1: Summary of Significant Accounting Policies (Continued)**

- Committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the City Council. The City Council has the authority to establish, modify, or rescind a fund balance commitment.
- Assigned fund balance are amounts designated by the City Council for specific purposes and do not meet the criteria to be classified as restricted or committed.
- Unassigned fund balance is the residual classification that includes all spendable amounts in the General Fund not contained in other classifications.

When expenditures are incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) fund balances are available, the City's policy is to apply restricted first. When expenditures are incurred for purposes for which committed, assigned, or unassigned fund balances are available, the City's policy is to apply committed fund balance first, then assigned fund balance, and finally unassigned fund balance.

*Use of 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 amounts 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 expenditures/expenses during the reporting period. Actual results could differ from those estimates.

**Note 2: Stewardship, Compliance and Accountability**

California law authorizes the City to invest in obligations of the United States Treasury, agencies and instrumentalities, certificates of deposit or time deposits in banks and savings and loan associations which are insured by the Federal Deposit Insurance Corporation.

In accordance with applicable sections of the California Government Code and the Livingston Municipal Code, the City prepares and legally adopts an annual balanced budget on a basis consistent with accounting principles generally accepted in the United States of America. Annual appropriated budgets are adopted for the General Fund, specific Special Revenue Funds, and specific Capital Projects Funds. Budget plans are adopted for Proprietary Funds. The Council holds public hearings and may add to, subtract from, or change appropriations within the revenues and reserves estimated as available. Expenditures may not legally exceed budgeted appropriations at the fund level. Supplementary appropriations which alter the total expenditures of any fund, or expenditures in excess of total budgeted fund appropriations, must be approved by the City Council.

All annual appropriations lapse at fiscal year end to the extent they have not been expended or encumbered.

CITY OF LIVINGSTON

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2021

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**Note 3: Cash and Investments**

The City pools all of its cash and investments except those funds required to be held by outside fiscal agents under the provisions of bond indentures. Interest income earned on pooled cash is allocated to the various funds on average cash balances. Interest income from cash investments held with fiscal agents is credited directly to the related funds.

Cash and investments as of June 30, 2021 are classified in the accompanying financial statements as follows:

Cash and Investments	\$29,239,699
Restricted: Cash with Fiscal Agents	<u>\$ 1,148,867</u>
Total Cash and Investments	<u>\$30,388,566</u>

Cash and investments as of June 30, 2021 consist of the following:

Cash on Hand	\$ 7,099
Deposits with Financial Institutions	6,994,778
Cash with Fiscal Agent	1,148,867
Local Agency Investment Fund	<u>22,237,822</u>
Total Cash and Investments	<u>\$ 30,388,566</u>

Investment Pool Oversight

State of California Local Agency Investment Fund (LAIF)

LAIF is overseen by the Local Agency Investment Advisory Board, which consists of five members, in accordance with State statute. The State Treasurer's office audits the fund annually.

GASB Statement No. 31

The City adopted GASB Statement No. 31, Accounting and Financial Reporting for Certain Investments and for External Investment Pools, as of July 1, 1997. GASB Statement No. 31 establishes fair value standards for investments in participating interest earning investment contracts, external investment pools, equity securities, option contracts, stock warrants and stock rights that have readily determinable fair values. Accordingly, the City reports its investments at fair value in the balance sheet. All investment income, including changes in the fair value of investments, is recognized as revenue in the operating statement.

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2021**

**Note 3: Cash and Investments (Continued)****Investments Authorized by the California Government Code and the City's Investment Policy**

The table below identifies the investment types that are authorized for the City by the California Government Code (or the City's investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code (or the City's investment policy, where more restrictive) that address interest rate risk, credit risk, and concentration of credit risk. The City's investment policy does not contain any specific provisions intended to limit the City's exposure to interest rate risk, credit risk, and concentration of credit risk. This table does not address investments of debt proceeds held by bond trustee that are governed by the provisions of debt agreements of the City, rather than the general provisions of the California Government Code or the City's investment policy.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
Local Agency Bonds	5 years	None	None
U.S. Treasury Obligations	5 years	None	None
U.S. Agency Securities	5 years	None	None
Banker's Acceptances	180 days	40%	30%
Commercial Paper	270 days	25%	10%
Negotiable Certificates for Deposits	5 years	30%	None
Repurchase Agreements	1 year	None	None
Reverse Repurchase Agreements	92 days	20%	None
Medium Term Notes	5 years	30%	None
Mutual Funds	N/A	20%	10%
Money Market Mutual Funds	N/A	20%	10%
Mortgage Pass-Through Securities	5 years	20%	None
County Pooled Investment Funds	N/A	None	None
Local Agency Investment Funds (LAIF)	N/A	None	None
JPA Pools (other investment pools)	N/A	None	None

**Disclosures Relating to Interest Rate Risk**

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates.

The City did not have any investments subject to interest rate risk for the year ended June 30, 2021.

**Disclosures Relating to Credit Risk**

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating by Standard & Poor's required by the California Government Code or the City's investment policy, and the actual rating as of June 30, 2021 for each investment type:

Not Rated:	
LAIF	\$ 22,237,822
Cash with Fiscal Agents	1,148,867
Cash and Cash Equivalents	7,001,877
Total Cash and Investments	<u>\$ 30,388,566</u>

**Note 3: Cash and Investments (Continued)**

**Concentration of Credit Risk**

The investment policy of the City contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. The City does not have any investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) that represent 5% or more of total City investments.

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The California Government Code and the City's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

As of June 30, 2021, the carrying amount of the City's bank deposits was \$8,143,645 per books, and the respective bank balances totaled \$8,634,018. Of the bank balances \$250,000 is insured through the Federal Deposit Insurance Company. The remaining balance is to be collateralized by the bank.

The custodial risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the City's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for investments. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools (such as LAIF).

**Investment in State Investment Pool**

The City is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. The fair value of the City's investment in this pool is reported in the accompanying financial statements at amounts based upon the City's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.



NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2021

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**Note 4: Notes/Long-Term Receivables**

**City of Livingston Employee Computer Purchase Program**

The City of Livingston established a program for eligible employees to acquire computers and accessories with financial assistance from the City in the form of a no interest loan repaid through automatic payroll deductions. The goal of the program is to improve organizational productivity by encouraging employees to purchase and use home computers.

Only full-time regular employees who have successfully passed their probationary period as new employees, and have no garnishments for credit or tax purposes, or similar liens in place at the time of application, are eligible to participate in this program. Contract employees may participate in this program under the following conditions: their employment contract generally extends to them the same benefits as regular employees, and the repayment period does not extend beyond their contract term.

The maximum loan amount is \$3,000 per employee to be paid over a maximum of 36 months interest free. Seven employees are currently participating for a total outstanding balance as of June 30, 2021 of \$1,973 due to the City. The receivable is reflected in the General Fund.

**CDBG Rehab Loans**

The City operates a CDBG rehabilitation loan program for the renovation of low income housing. The total balances outstanding at June 30, 2021 for the 2002-2003 loans were \$196,901. These loans are reflected in the Program Income Fund.

**First Time Home Buyers Down-Payment Assistance**

The City operates a first time home buyers down-payment assistance loan program. The total outstanding balances at June 30, 2021 were \$923,806 and are reflected in the Program Income Fund.

**Note 5: Advance To and From Funds**

Advances represent long-term borrowing between funds. These amounts are not expected to be repaid within the next fiscal year.

	<u>Advance To</u>	<u>Advance From</u>
Major Funds:		
Water Fund	\$ 1,269,129	\$ -
Industrial Waste Water Fund	-	1,269,129
	<u>\$ 1,269,129</u>	<u>\$ 1,269,129</u>

**CITY OF LIVINGSTON**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2021**

**Note 6: Capital Assets**

Capital asset activities for the year ended June 30, 2021 were as follows:

Governmental Activities:	Balance July 1, 2020	Adjustments	Transfers of CIP	Additions	Retirements	Balance June 30, 2021
Capital assets, not being depreciated						
Land	\$ 3,485,866	\$ -	\$ -	\$ -	\$ -	\$ 3,485,866
Construction in progress	1,464,162	67,231	(146,823)	711,488	-	2,096,058
Total capital assets, not being depreciated	<u>4,950,028</u>	<u>67,231</u>	<u>(146,823)</u>	<u>711,488</u>	<u>-</u>	<u>5,581,924</u>
Capital assets, being depreciated						
Buildings and improvements	9,705,661	8,155	-	862,872	-	10,576,688
Infrastructure	5,406,972	-	146,823	608,993	-	6,162,788
Machinery and equipment	4,578,246	(8,155)	-	196,578	-	4,766,669
Total capital assets, being depreciated	<u>19,690,879</u>	<u>-</u>	<u>146,823</u>	<u>1,668,443</u>	<u>-</u>	<u>21,506,145</u>
Less accumulated depreciation for:						
Buildings and improvements	(4,456,302)	2,134	-	(265,453)	-	(4,723,889)
Infrastructure	(1,229,009)	(5)	-	(115,242)	-	(1,344,246)
Machinery and equipment	(3,682,175)	(2,483)	-	(181,664)	-	(3,861,356)
Total accumulated depreciation	<u>(9,367,486)</u>	<u>(354)</u>	<u>-</u>	<u>(562,359)</u>	<u>-</u>	<u>(9,929,491)</u>
Total capital assets, being depreciated, net	<u>10,323,393</u>	<u>354</u>	<u>146,823</u>	<u>1,106,084</u>	<u>-</u>	<u>11,576,654</u>
Governmental activities capital assets, net	<u>\$ 15,273,421</u>	<u>\$ 67,585</u>	<u>\$ -</u>	<u>\$ 1,817,572</u>	<u>\$ -</u>	<u>\$ 17,158,578</u>
<b>Business-Type Activities:</b>						
Capital assets, not being depreciated						
Land	\$ 2,985,629	\$ -	\$ -	\$ -	\$ 6,000	\$ 2,979,629
Construction in progress	3,031,270	-	(705,717)	2,239,790	-	4,565,343
Total capital assets, not being depreciated	<u>6,016,899</u>	<u>-</u>	<u>(705,717)</u>	<u>2,239,790</u>	<u>6,000</u>	<u>7,544,972</u>
Capital assets, being depreciated						
Buildings and improvements	25,000	-	-	-	-	25,000
Infrastructure	31,239,479	1,151,768	674,986	41,945	-	33,108,178
Machinery and equipment	1,636,340	-	30,731	28,357	-	1,695,428
Total capital assets, being depreciated	<u>32,900,819</u>	<u>1,151,768</u>	<u>705,717</u>	<u>70,302</u>	<u>-</u>	<u>34,828,606</u>
Less: accumulated depreciation	(12,237,577)	(973)	-	(901,274)	-	(13,139,824)
Total capital assets, being depreciated, net	<u>20,663,242</u>	<u>1,150,795</u>	<u>705,717</u>	<u>(830,972)</u>	<u>-</u>	<u>21,688,782</u>
Business-Type activities capital assets, net	<u>\$ 26,680,141</u>	<u>\$ 1,150,795</u>	<u>\$ -</u>	<u>\$ 1,408,818</u>	<u>\$ 6,000</u>	<u>\$ 29,233,754</u>

Depreciation expense was charged to the following functions in the Statement of Activities:

Governmental Activities	Total
General Government	\$ 100,057
Public Safety	96,458
Public Works	200,491
Parks and Community Services	165,353
Totals	<u>\$ 562,359</u>

CITY OF LIVINGSTON

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2021

**Note 6: Capital Assets (Continued)**

Business Type Activities	Total
Water	\$ 483,469
Sanitation	2,031
Domestic Sewer	415,174
Industrial Sewer	600
Totals	<u>\$ 901,274</u>

**Note 7: Long-Term Debt**

The City generally incurs long-term debt to finance projects or purchase assets which will have useful lives equal to or greater than the related debt.

In governmental fund types, debt discounts, premiums, and issuance costs are recognized in the current period. Debt discounts and premiums incurred in proprietary funds are deferred and amortized over the term of the debt using the bonds-outstanding method, which approximates the effective interest method. The City's debt transactions are summarized below and discussed in detail thereafter:

Governmental Activities:	Balance June 30, 2020	Additions	Deletions	Balance June 30, 2021	Current Portion
U.S. Bancorp Lease	\$ 2,323,000	\$ -	\$ 127,049	\$ 2,195,951	\$ 130,834
Total Lease Payable	2,323,000	-	127,049	2,195,951	130,834
Total	<u>\$ 2,323,000</u>	<u>\$ -</u>	<u>\$ 127,049</u>	<u>\$ 2,195,951</u>	<u>\$ 130,834</u>
Business Type Activities:					
SWRCB Water Loan	\$ 1,108,157	\$ -	\$ 61,292	\$ 1,046,865	\$ 60,323
2016 A Sewer Refunding	6,950,000	-	195,000	6,755,000	200,000
SWRCB Water Loan 2020	144,142	2,673,189	-	2,817,331	44,174
U.S. Bancorp Lease	574,000	95,329	36,692	632,637	37,696
Total Notes, Bonds, and Lease Payable	8,776,299	2,768,518	292,984	11,251,833	342,193
Unamortized bond premiums and deferred charges	201,582	-	9,026	192,556	-
Total Notes, Bonds Payable, Net	8,977,881	2,768,518	302,010	11,444,389	342,193
Total	<u>\$ 8,977,881</u>	<u>\$ 2,768,518</u>	<u>\$ 302,010</u>	<u>\$ 11,444,389</u>	<u>\$ 342,193</u>

Long-term debt payable at June 30, 2021 was comprised of the following individual issues:

**U.S. Bancorp Lease** – In December 2019, The City entered into a capital lease arrangement to finance energy conservation improvements on certain City properties. The lease obligation is accounted for as a capital lease where the related improvements to be acquired will become property of the City when all terms of the lease agreement are met. The stated interest under terms of the agreement is 2.735%. Present value of the remaining payments as of June 30, 2021 is \$2,828,588, the City has allocated Capital Lease proceeds of \$2,195,951 to the Capital Projects Fund and \$632,637 to the Water Fund, future payments are expected to be made based on this allocation. Annual debt service payments of \$238,044 under the agreement start on December 6, 2020 and end on December 6, 2034. As of June 30, 2021, the City had accumulated total capital expenditures of \$576,160 in Construction In Progress in the Capital Projects Fund.

**Note 7: Long-Term Debt (Continued)**

**SWRCB Water Loan** – In December 2016, the City entered into an agreement for \$1,353,245 with the State Water Resource Control Board to fund major improvements to Well #17. Principal and interest of \$39,389 are paid semi-annually on January 1 and July 1 through 2036. The interest rate is 1.6%.

**2016A Sewer Revenue Refunding Bonds** – In October 2016, the City issued Series 2016A Sewer Revenue Refunding Bonds for the principal amount of \$7,715,000. The issuance was to refund the outstanding principal balance of the Refunding Revenue Bonds described above. In addition, the proceeds of the sale of the bond were used to pay the costs of issuance. The reacquisition price exceeded the net carrying amount of the old debt by \$57,298. The City refunded the above debts to reduce its total debt service over 26 years by \$1,858,942 and to obtain an economic gain (difference between the present values of debt service payments on the old and new debt) of \$832,214. The bonds bear interest ranging from 2.0% to 4.0% and are payable semi-annually commencing March 2017 through March 2043. Debt service is secured by a pledge of net revenues of the City's Sewer System. The City covenants that it shall prescribe, revise and collect such charges for the services and facilities of the sewer system which shall produce revenues sufficient in each fiscal year to provide gross revenues which are sufficient to pay all sewer operation and maintenance costs and all bond installment payments and produce net sewer revenues equal to at least 1.25 times debt service coming due and payable during such fiscal year. The City is in compliance with those covenants as of June 30, 2021. Cash basis debt service paid during the fiscal year ended June 30, 2021 totaled \$448,650. Total sewer system net revenues calculated in accordance with the covenants were \$1,428,223 at June 30, 2021.

**SWRCB Water Loan 2020** – In September 2018, The City entered into a construction installment sale arrangement, a loan in substance, with the State Water Resource Conservation Board to finance certain City water well improvements. The stated interest under terms of the arrangement is 1.8% annually. Annual debt service payments range from \$801 to \$38,955 under the arrangement and start on July 1, 2020 and end on July 1, 2051. As of June 30, 2021, the City had drawn a total \$2,817,331 of the total loaned amount, the remaining loaned balance is expected to be drawn in October 2021. As part of the arrangement the loan is secured by a lien on and pledge of the Enterprise Fund, Net Revenues, and the Reserve Fund in priority as specified in the agreement. The City covenants that it shall prescribe, revise and collect such charges for the services and facilities of the water system which shall produce revenues sufficient in each fiscal year to provide gross revenues which are sufficient to pay all water operation and maintenance costs and all loan installment payments and produce net water revenues equal to at least 1.10 times debt service coming due and payable during such fiscal year. The City did not have any required debt service payments in the fiscal year ended June 30, 2021.

CITY OF LIVINGSTON

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2021

**Note 7: Long-Term Debt (Continued)**

The annual requirement to amortize the principal and interest on all long-term debt at June 30, 2021, were as follows:

Years ending June 30,	Governmental Activities		Business Type Activities	
	Principal	Interest	Principal	Interest
2022	\$ 130,834	\$ 59,912	\$ 342,193	\$ 341,307
2023	134,412	56,342	517,230	326,848
2024	138,088	52,674	486,642	310,556
2025	141,865	48,907	472,237	295,754
2026-2030	769,692	184,309	2,597,547	1,241,734
2031-2035	881,060	73,400	3,034,607	797,535
2036-2040	-	-	1,922,843	393,440
2041-2045	-	-	1,878,534	78,637
	<u>\$ 2,195,951</u>	<u>\$ 475,544</u>	<u>\$ 11,251,833</u>	<u>\$ 3,785,811</u>

**Note 8: Fund Balances and Net Position**

**Restatement of Net Position**

During the fiscal year 2021 fieldwork, various adjustments to capital assets to reconcile City records to prior Annual Comprehensive Financial Reports were noted. The net impact on Net Position of these adjustments totaled \$67,585 for Governmental Activities and \$1,150,795 for Business-Type Activities as shown on the Statement of Activities.

**Note 9: Interfund Transfers**

In general, the City uses interfund transfers to (1) move revenues from the funds that collect them to the funds that statute or budget requires to expend them, (2) use unrestricted revenues collected in the General Fund to help finance various programs and capital projects accounted for in other funds in accordance with budgetary authorization, and (3) move cash to debt service funds from the funds responsible for payment as debt service payments become due. In general, the effect of the interfund activity has been eliminated from the government-wide financial statements.

	Transfers In	Transfers Out
Major Governmental Funds:		
General Fund	\$ 20,000	\$ 70,313
Maintenance District	-	20,000
Nonmajor Governmental Funds:		
Gas Tax Fund	70,313	-
Local Transportation	-	51,610
Capital Projects Fund	51,610	-
	<u>\$ 141,923</u>	<u>\$ 141,923</u>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2021

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**Note 10: Deferred Outflows and Deferred Inflows of Resources**

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial element, deferred outflows of resources, represents a consumption of net position or fund balance that applies to future period(s) and thus, will not be recognized as an outflow of resources (expense/expenditure) until then. The City has three items to report in this category:

- The City has \$47,013 in deferred charges on a previous refunding of long-term debt that qualifies to be reported in deferred outflows of resources. The entirety of the deferred outflow pertains to debt activity within the Domestic Waste Water Fund.
- The City has \$1,780,791 in pension related items that qualify to be reported in deferred outflows of resources. The pension related deferred outflows of resources are described in Note 12.
- The City has \$706,919 in other post-employment benefits related items that qualify to be reported in deferred outflows of resources. The pension related deferred outflows of resources are described in Note 12.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represent an acquisition of net position or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has two items to report in this category:

- The City has \$245,529 in pension related items that qualify to be reported in deferred inflows of resources. The pension related deferred inflows of resources are described in Note 12.
- The City has \$271,423 in post-employment benefits related items that qualify to be reported in deferred inflows of resources. The pension related deferred inflows of resources are described in Note 11.
- Unavailable revenues arise only under a modified accrual basis of accounting and is reported only in the governmental funds balance sheet. The City has \$1,120,707 in notes and loans receivable reported as deferred inflows of resources reported for unavailable revenues in the Program Income Fund. See Note 4 for details.

**Note 11: Post-Employment Health Care Benefits Plan Description – Single Employer**

For all employees employed by the City as of July 1, 1989 who retire from the City's employment under the California Public Employee's Retirement System (CalPERS) currently in effect other than disability retirement, the City will continue to pay the premiums for health and dental care coverage in an amount equal to the amount paid if the employee was still employed by the City. In disability cases, dependent medical and dental coverage will continue until death of the retired employee or until dependents no longer are qualified as dependents under the current medical and dental plan.

Employees hired after July 1, 1989 (clerical and public works bargaining units only), shall enjoy City paid post-retirement health benefits as follows (a) employee must have been continuously employed by the City for twenty years (disruptions in service due to lay-offs are

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2021**

**Note 11: Post-Employment Health Care Benefits (Continued)**

exempted), (b) post-retirement health insurance for employee only shall be limited to the actual cost of insurance, not to exceed \$300 per month, (c) disability retirement will be as if employee met the twenty year employment requirement described above and (d) at age sixty-five, Medicare shall become the retired employee's primary insurance.

**Employees Covered**

Membership in the plan consisted of the following at June 30, 2020, the date of the latest actuarial valuation:

Number of active plan members	47
Number of inactive plan members currently receiving benefits	11
Number of inactive plan members entitled to but not receiving benefits	-
Total	<u>58</u>

**Contributions**

The contribution requirements of plan members and the City are established and may be amended by the City. The City determines the required contributions using the Entry Age Normal Cost Method. The required contribution is based on projected pay-as-you-go financing requirements.

**Long Term Expected Rate of Return**

The expected long-term return on trust assets was derived from published information by CalPERS. CalPERS expectations are summarized in the chart below:

CERBT Strategy 1 Asset Classification	Target Allocation	Years 1-10	Years 11+
		Expected Real Rate of Return*	Expected Real Rate of Return*
Global Equity	59%	4.80%	5.98%
Fixed Income	25%	1.10%	2.62%
Global Real Estate (REITs)	8%	3.20%	5.00%
Treasury Inflation Protected Securities	5%	0.25%	1.46%
Commodities	3%	1.50%	2.87%
Total	<u>100%</u>		

\*Real rates of return come from a geometric representation of returns that assume a general inflation rate of 2.00%

Currently, CalPERS' expected returns are split for years 1-10 and years 11 and thereafter. To derive the expected return for the City of Livingston, plan benefits were projected in each future year. Then applying the plan specific benefit payments to CalPERSs bifurcated return expectations, the single equivalent long term rate of return was determined to be 6.45%. This rate was used as the discount rate for liabilities for financial statement reporting.

**Actuarial Assumptions**

The City's net OPEB liability was measured as of June 30, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation date as of June 30, 2020.

CITY OF LIVINGSTON

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2021

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**Note 11: Post-Employment Health Care Benefits (Continued)**

Valuation Date	June 30, 2020												
Measurement Date	June 30, 2020												
Actuarial Cost Method	Entry - Age Normal Cost, level of percent pay												
Asset Valuation Method	Market value of assets												
Long-term Return on Assets	6.45% as of June 30, 2020 and 6.50% as of June 30, 2019, net of plan investment expenses.												
Discount Rates	6.35% as of June 30, 2020 and 6.50% as of June 30, 2019.												
Participant Valued	Only current active employees and retired participants and covered dependents are valued. No future entrants are considered in this valuation.												
Salary Increase	3.0% per year; since benefits do not depend on salary, this is used only to allocate the cost of benefits between service years.												
Assumed Wage Inflation	3.0% per year; used to determine amortization payments if developed on a level percent of pay basis.												
General Inflation Rate	2.5% per year												
Mortality Improvement	MacLeod Watts Scale 2020 applied generationally												
Healthcare Trend	Medical plan premiums and claims costs by age are assumed to increase once each year. Increases over the prior year's levels are assumed to be effective on the dates shown below:												
	<table border="0"> <thead> <tr> <th>Effective Jan1,</th> <th>Premium Increase</th> </tr> </thead> <tbody> <tr> <td>2021</td> <td>Actual</td> </tr> <tr> <td>2022</td> <td>6.00%</td> </tr> <tr> <td>2023</td> <td>5.80%</td> </tr> <tr> <td>2024</td> <td>5.60%</td> </tr> <tr> <td>2025 &amp; later</td> <td>5.40%</td> </tr> </tbody> </table>	Effective Jan1,	Premium Increase	2021	Actual	2022	6.00%	2023	5.80%	2024	5.60%	2025 & later	5.40%
Effective Jan1,	Premium Increase												
2021	Actual												
2022	6.00%												
2023	5.80%												
2024	5.60%												
2025 & later	5.40%												
	Dental premiums are assumed to increase by 4.5% annually												



CITY OF LIVINGSTON

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2021

Note 11: Post-Employment Health Care Benefits (Continued)

Changes in the Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability/Asset (a) - (b) = (c)
<b>Balance at June 30, 2020</b>	<b>\$ 2,618,087</b>	<b>\$ 226,121</b>	<b>\$ 2,391,966</b>
<b>Change in the Year:</b>			
Service Cost	17,287	-	17,287
Interest	164,230	-	164,230
Differences between expected and actual experience	(276,572)	-	(276,572)
Changes of assumptions	466,400	-	466,400
Contribution - Employer	-	217,510	(217,510)
Net Investment Income	-	7,986	(7,986)
Benefit Payments	(217,510)	(217,510)	-
Administrative Expenses	-	(110)	110
<b>Net Changes</b>	<b>153,835</b>	<b>7,876</b>	<b>145,959</b>
<b>Balance at June 30, 2021</b>	<b>\$ 2,771,922</b>	<b>\$ 233,997</b>	<b>\$ 2,537,925</b>

The only assumption change reflected during this period is the change in the discount rates as required by GASB 75.

**Sensitivity of the City's Net OPEB Liability to Changes in the Discount Rate**

The following presents the net OPEB liability of the City, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1 percentage-point lower or 1 percentage-point higher than the current rate:

	1% Decrease 4.00%	Current Discount 5.00%	1% Increase 6.00%
Net OPEB Liability	\$ 2,801,345	\$ 2,537,925	\$ 2,308,759

**Sensitivity of the City's Net OPEB Liability to Changes in the Healthcare Cost Trend Rates**

The following presents the net OPEB liability of the City, as well as what the net OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1 percentage-point lower or 1 percentage-point higher than the current rate:

	Current Trend -1%	Current Trend	Current Trend +1%
Net OPEB Liability	\$ 2,310,396	\$ 2,537,925	\$ 2,797,981

Healthcare cost trend rate was assumed to start at 8.0% (effective January 1, 2009) and grade down to 5% for years 2025 and thereafter.

CITY OF LIVINGSTON

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2021

**Note 11: Post-Employment Health Care Benefits (Continued)**

**Outflows/Inflows Related to OPEB**

For the year ended June 30, 2021, the City recognized OPEB expense of \$222,020. At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of Assumptions	\$ 422,524	\$ 20,869
Differences between expected and actual experience	67,478	250,554
Net Difference Between Projected and Actual	2,386	-
Deferred Contributions	214,531	-
Total	<u>\$ 706,919</u>	<u>\$ 271,423</u>

The City will recognize the deferred contributions in the next fiscal year. In addition, future recognition of these deferred resources is shown below:

Year Ended June 30:	
2022	\$ 24,362
2023	24,364
2024	23,594
2025	25,098
2026	23,758
Thereafter	99,789
Total	<u>\$ 220,965</u>

**Note 12: Pension Plan**

**Plan Description** - The City contributes to the California Public Employees' Retirement System (PERS), an agent multiple-employer public employee defined benefit pension plan. PERS provides retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan members and beneficiaries. PERS acts as a common investment and administrative agent for participating public entities within the State of California. Benefit provisions and all other requirements are established by state statute and city ordinance. Copies of PERS' annual financial report may be obtained from their Executive Office - 400 P Street - Sacramento, CA 95814.

All full-time employees are eligible to participate in the Plan. Part-time employees appointed to a term of one year or longer and who work an average of 20 hours per week are also eligible to participate. Other part-time non-benefited hourly employees do not participate in the Plan. Related benefits vest after five years of service. Upon five years of service, employees who retire at or after age 55 are entitled to receive an annual retirement benefit.

**Funding Policy** – Management, clerical, and public works plan members in the Classic Miscellaneous Plan are required to contribute 6% of their covered salary, which is covered by the City. On behalf of Livingston Police Officers Association and Supervisory Unit Classic Safety and Miscellaneous plan members, the City contributes 2% of the 6%. PEPRA employees contribute their portion. The City is required to contribute the actuarially determined remaining amounts necessary to fund the benefits for

CITY OF LIVINGSTON

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2021

**Note 12: Pension Plan (Continued)**

its members. The actuarial methods and assumptions used are those adopted by the CalPERS Board of Administration. The contribution requirements of plan members is established by State statute and the employer contribution is established and may be amended by PERS.

The Plans' provisions and benefits in effect at June 30, 2021, are summarized as follows:

	<u>Safety - Classic</u>	<u>Miscellaneous - Classic</u>
Hire Date	Prior to January 1, 2013	Prior to January 1, 2013
Benefit Formula	2.00% at 55; maximum 2% COLA	2.00% at 55; maximum 2% COLA
Benefit Vesting Schedule	5 years of service	5 years of service
Benefit Payment	Monthly For Life	Monthly For Life
Retirement Age	55	55
Monthly Benefits, as a % of Annual Salary	2.00%	2.00%
Required Employee Contribution Rates	6.94%	6.91%
Required Employer Contribution Rates	15.662%	11.031%
	<u>Safety - PEPRA</u>	<u>Miscellaneous - PEPRA</u>
Hire Date	On or After January 1, 2013	On or After January 1, 2013
Benefit Formula	2.00% at 62; maximum 2% COLA	2.00% at 62; maximum 2% COLA
Benefit Vesting Schedule	5 years of service	5 years of service
Benefit Payment	Monthly For Life	Monthly For Life
Retirement Age	62	62
Monthly Benefits, as a % of Annual Salary	2.00%	2.00%
Required Employee Contribution Rates	10.00%	6.75%
Required Employer Contribution Rates	11.114%	7.732%

**Contributions** – Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on July 1 following notice of a change in the rate. Funding contributions for both Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

CITY OF LIVINGSTON

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2021

**Note 12: Pension Plan (Continued)**

For the year ended June 30, 2021, the contributions recognized as part of the pension expense is as follows:

Contributions - Employer	\$ 923,009
Contributions - Employee	854,795

**Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions**

As of June 30, 2021, the City reported net pension liabilities for its proportionate shares of the net pension liability of each Plan as follows:

Miscellaneous	\$ 4,398,717
Safety	2,420,480
Total	<u>\$ 6,819,197</u>

The City's net pension liability for each Plan is measured as the proportionate share of the net pension liability. The net pension liability of each of the Plans is measured as of June 30, 2021, and the total pension liability for each Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2020, rolled forward to June 30, 2021, using standard update procedures. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined. The City's proportionate share of the net pension liability for each Plan as of June 30, 2020, and 2021 was as follows:

	<u>Miscellaneous</u>	<u>Safety</u>
Proportion - June 30, 2020	0.10129%	0.03451%
Proportion - June 30, 2021	<u>0.04043%</u>	<u>0.02225%</u>
Change - Increase (Decrease)	-0.06086%	-0.01226%

For the year ended June 30, 2021, the City recognized pension expense of \$1,226,786. At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension Contributions Subsequent to Measurement Date	\$ 923,009	\$ -
Changes in Employer's Proportion	260,308	(206,093)
Differences Projected and Actual Contributions	-	-
Differences Between Projected and Actual Experience	414,375	-
Net Differences Between Projected and Actual Earnings	183,099	-
Changes in Assumptions	-	(39,436)
Total	<u>\$ 1,780,791</u>	<u>\$ (245,529)</u>

CITY OF LIVINGSTON

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2021

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**Note 12: Pension Plan (Continued)**

The \$ 923,009 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended	
June 30:	
2022	\$ 116,126
2023	229,210
2024	178,062
2025	89,035
Total	<u>\$ 612,433</u>

**Actuarial Methods and Assumptions** – The collective total pension liability for the June 30, 2021, measurement period was determined by an actuarial valuation as of June 30, 2020, with update procedures used to roll forward the total pension liability to June 30, 2021. The collective total pension liability was based on the following assumptions:

Valuation Date	June 30, 2019
Measurement Date	June 30, 2020
Actuarial Cost Method	Entry - Age Actuarial Cost Method in accordance with the requirements of GASB Statement No. 68
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Payroll Growth	2.75%
Salary Increase	Varies by Entry Age and Service
Mortality Rate Table	Derived using CalPERS' Membership <sup>1</sup> Date for all Funds
Post Retirement Benefit Increase	Contact COLA up to 2.75% until Purchasing Power Protection Allowance Floor on Purchasing Power applies

<sup>1</sup> The mortality table used was developed based on CalPERS-specific data. The table includes 15 years of mortality improvements using Society of Actuaries Scale 90% of scale MP 2016. For more details on this table, please refer to the December 2017 experience study report (based on CalPERS demographic data from 1997 to 2015) that can be found on the CalPERS website.

All other actuarial assumptions used in the June 30, 2019 valuation were based on the results of an December 2017 experience study report (based on CalPERS demographic data from 1997 to 2015), including updates to salary increase, mortality and retirement rates. The Experience Study can be obtained at CalPERS' website.

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2021**

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**Note 12: Pension Plan (Continued)**

**Discount rate** – The discount rate used to measure the total pension liability for Public Employees Retirement Fund C was 7.15%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan'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 plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected rate of returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

The long-term expected real rates of return by asset class can be found in CalPERS' Comprehensive Annual Financial Report for the fiscal year ended June 30, 2021.

The table below reflects long-term expected real rates of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. The geometric rates of return are net of administrative expenses.

Asset Class <sup>1</sup>	New Strategic Allocation	Real Return Years 1-10 <sup>2</sup>	Real Return Years 11+ <sup>3</sup>
Global Equity	50.00%	4.80%	5.98%
Fixed Income	28.00%	1.00%	2.62%
Inflation Assets	0.00%	77.00%	1.81%
Private Equity	8.00%	630.00%	7.23%
Real Estate	13.00%	3.75%	4.93%
Liquidity	1.00%	0.00%	-0.92%
Total	100%		

<sup>1</sup> In the System's CAFR, Fixed Income is included in Global Debt Securities; Liquidity is included in Short-term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities.

<sup>2</sup> An expected inflation of 2.0% used for this period

<sup>3</sup> An expected inflation of 2.92% used for this period

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2021

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**Note 12: Pension Plan (Continued)**

**Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate** The following presents the City’s proportionate share of the net pension liability for each Plan, calculating using the discount rate of each Plan, as well as what the City’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.15%) or 1-percentage point higher (8.15%) than the current rate:

	1% Decrease 6.15%	Current Discount 7.15%	1% Increase 8.15%
Miscellaneous	\$ 6,675,104	\$ 4,398,717	\$ 2,517,810
Safety	3,774,106	2,420,480	1,309,702

**Pension Plan Fiduciary Net Position** – Detailed information about each pension plan’s fiduciary net position is available in the separately issued CalPERS financial reports.

**Note 13: Risk Management**

The City participates with other public entities in a joint venture under a joint powers agreement which establishes the Central San Joaquin Valley Risk Management Authority (CSJVRMA). The relationship between the City and CSJVRMA is such that CSJVRMA is not a component unit of the City for financial reporting purposes.

The CSJVRMA is a consortium of cities in the San Joaquin Valley, California. It was established under the provisions of California Government Code Section 6500, et. seq. The CSJVRMA is governed by a Board of Directors, which meets three to four times each year, consisting of one member appointed by each member city. The day-to-day business is handled by a management group employed by the CSJVRMA. The financial statements of CSJVRMA can be obtained at 1750 Creekside Oaks Drive, Suite 200, Sacramento, California 95833.

Each member government pays a primary deposit to cover estimated losses for a fiscal year (claims year). Six months after the close of a fiscal year, outstanding claims are valued. A retrospective deposit computation is then made for each open claims year. Costs are spread to members as follows: the first \$25,000 of each occurrence is charged directly to the member. Each member maintains a \$1,000,000 self- insured retention (SIR) amount covered by the Authority pooled investments. The Authority purchases excess liability coverage through the California Affiliated Risk Management Authority for the amount in excess of \$1,000,000. Reinsurance coverage is purchased by the Authority through American Reinsurance for the amount in excess of \$1,000,000 up to \$9,000,000 at 25% quota share. The City purchases Workers Compensation insurance through the Authority. The City maintains a \$350,000 SIR with the Authority. Excess coverage is purchased by the Authority through Continental Casualty for up to \$5,000,000 per accident in excess of the SIR. The City also purchases various property coverage programs. Deductibles and limits per property type can be obtained from the City Manager or directly from the Authority.

**CITY OF LIVINGSTON**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2021**

**Note 13: Risk Management (Continued)**

The latest audited financial information and the most current information available for CSJVRMA for fiscal year ended June 30, 2021 is as follows:

Total assets	\$ 150,621,596
Total liabilities	129,774,819
Net position	<u>\$ 20,846,777</u>
Total revenues	\$ 55,391,674
Total expenses	54,084,619
Increases/(decrease) in net position	<u>\$ 1,307,055</u>

**Note 14: Contingent Liabilities**

The City participates in a number of Federal and State assisted grant programs which are subject to financial and compliance audits. Audits for these programs and the respective findings are to be determined at a future date, and the City expects the amount, if any, of the expenditures which may be disallowed by the granting agency to be immaterial.

The City is a defendant in various lawsuits and claims. The City attorney anticipates that actual or potential claims against the City, not covered by insurance, would not materially affect the financial position of the City.

**Note 15: Compensated Absences**

As described in Note 1, under certain circumstances and accordingly to the negotiated labor agreements, City employees are allowed to accumulate annual leave. The annual leave amount is accrued and accounted for as compensated absences in the government-wide and proprietary fund statements.

As shown in the table below, the long-term portion of this debt amounts to \$489,836 for governmental activities and \$143,517 for business-type activities at June 30, 2021. These amounts are expected to be paid in future years from future resources. In prior years, compensated absences have been liquidated primarily by the General Fund and the proprietary funds. The total amount outstanding at June 30, 2021, was \$54,426 for governmental activities and \$15,946 for business-type activities.

	<u>Balance</u> <u>June 30, 2020</u>	<u>Incurred</u>	<u>Satisfied</u>	<u>Balance</u> <u>June 30, 2021</u>	<u>Amounts</u> <u>Due Within</u> <u>One Year</u>	<u>Amounts Due</u> <u>in More than</u> <u>One Year</u>
Governmental Activities	<u>\$ 533,291</u>	<u>\$ 10,971</u>	<u>\$ -</u>	<u>\$ 544,262</u>	<u>\$ 54,426</u>	<u>\$ 489,836</u>
Business-Type Activities	<u>\$ 129,385</u>	<u>\$ 30,078</u>	<u>\$ -</u>	<u>\$ 159,463</u>	<u>\$ 15,946</u>	<u>\$ 143,517</u>

**Note 16: Subsequent Events**

The City evaluated subsequent events for recognition and disclosure through September 30, 2022, the date which these financial statements were available to be issued. Management concluded that no material subsequent events have occurred since June 30, 2021 that required recognition or disclosure in such financial statements.



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**REQUIRED SUPPLEMENTARY INFORMATION**

CITY OF LIVINGSTON

BUDGETARY COMPARISON SCHEDULE  
 GENERAL FUND  
 YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Taxes	\$ 6,358,166	\$ 5,503,853	\$ 6,149,691	\$ 645,838
Licenses and permits	207,565	492,845	511,771	18,926
Intergovernmental	3,296,346	678,797	650,300	(28,497)
Charges for services	163,340	398,543	211,253	(187,290)
Use of money and property	57,500	57,500	45,242	(12,258)
Fines and forfeitures	42,500	48,125	32,298	(15,827)
Other	499,700	25,200	31,939	6,739
<b>Total Revenues</b>	<b>10,625,117</b>	<b>7,204,863</b>	<b>7,632,494</b>	<b>427,631</b>
<b>Expenditures</b>				
Current:				
General government	3,632,047	918,620	1,030,675	(112,055)
Public safety	4,640,290	4,030,776	3,583,788	446,988
Planning and community development	809,636	783,652	662,933	120,719
Parks and community services	724,055	745,143	589,958	155,185
Public works	374,578	332,962	318,751	14,211
Capital outlay	189,521	190,220	202,179	(11,959)
Debt service:				
Principal retirement	125,458	-	127,049	(127,049)
Interest and fiscal charges	19,685	-	30,707	(30,707)
<b>Total Expenditures</b>	<b>10,515,270</b>	<b>7,001,373</b>	<b>6,546,040</b>	<b>455,333</b>
Excess revenue over expenditures	109,847	203,490	1,086,454	882,964
<b>Other Financing Sources (Uses)</b>				
Transfers in	683,234	373,624	20,000	353,624
Transfers out	(646,963)	(423,937)	(70,313)	(353,624)
<b>Total Other Financing Sources (Uses)</b>	<b>36,271</b>	<b>(50,313)</b>	<b>(50,313)</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>\$ 146,118</b>	<b>\$ 153,177</b>	1,036,141	<b>\$ 882,964</b>
<b>Fund Balances</b>				
Beginning of Year			3,320,857	
End of Year			<b>\$ 4,356,998</b>	

CITY OF LIVINGSTON

**BUDGETARY COMPARISON SCHEDULE  
PROGRAM INCOME  
YEAR ENDED JUNE 30, 2021**

	<b>Budget Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues</b>				
Intergovernmental	\$ -	\$ -	\$ 244,673	\$ 244,673
Use of money and property	450	450	24,177	23,727
Other	-	-	96	96
<b>Total Revenues</b>	<b>450</b>	<b>450</b>	<b>268,946</b>	<b>268,496</b>
<b>Expenditures</b>				
Current:				
Planning and community development	248,000	71,157	25,603	45,554
<b>Total Expenditures</b>	<b>248,000</b>	<b>71,157</b>	<b>25,603</b>	<b>45,554</b>
Excess (deficit) revenue over expenditures	(247,550)	(70,707)	243,343	(314,050)
<b>Net Change in Fund Balances</b>	<b>\$ (247,550)</b>	<b>\$ (70,707)</b>	243,343	<b>\$ 314,050</b>
<b>Fund Balances</b>				
Beginning of Year			98,880	
End of Year			<b>\$ 342,223</b>	

CITY OF LIVINGSTON

**BUDGETARY COMPARISON SCHEDULE  
MAINTENANCE DISTRICTS  
YEAR ENDED JUNE 30, 2021**

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Use of money and property	\$ -	\$ 13,000	\$ 10,783	\$ (2,217)
Maintenance assessments	1,540,743	1,533,148	1,617,794	84,646
Other	-	-	3,747	3,747
<b>Total Revenues</b>	<b>1,540,743</b>	<b>1,546,148</b>	<b>1,632,324</b>	<b>86,176</b>
<b>Expenditures</b>				
Current:				
Public works	2,684,379	2,664,906	1,176,034	1,488,872
Capital outlay	45,109	84,753	43,647	41,106
<b>Total Expenditures</b>	<b>2,729,488</b>	<b>2,749,659</b>	<b>1,219,681</b>	<b>1,529,978</b>
Excess (deficit) revenue over expenditures	<b>(1,188,745)</b>	<b>(1,203,511)</b>	<b>412,643</b>	<b>(1,616,154)</b>
<b>Other Financing Uses</b>				
Transfers out	-	-	(20,000)	20,000
<b>Total Other Financing Uses</b>	<b>-</b>	<b>-</b>	<b>(20,000)</b>	<b>20,000</b>
<b>Net Change in Fund Balances</b>	<b>\$ (1,188,745)</b>	<b>\$ (1,203,511)</b>	392,643	<b>\$ (1,596,154)</b>
<b>Fund Balances</b>				
Beginning of Year			2,396,115	
<b>End of Year</b>			<b>\$ 2,788,758</b>	

CITY OF LIVINGSTON

**SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS  
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS (1)**

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
<b>Total OPEB Liability</b>				
Service cost	\$ 18,792	\$ 19,403	\$ 16,743	\$ 17,287
Interest on the total OPEB liability	159,687	161,816	166,007	164,230
Differences between expected and actual experiences	-	93,101	-	(276,572)
Changes in assumptions	-	(28,792)	-	466,400
Benefit payments	(139,650)	(153,025)	(203,753)	(217,510)
<b>Net change in total OPEB liability</b>	<b>38,829</b>	<b>92,503</b>	<b>(21,003)</b>	<b>153,835</b>
<b>Total OPEB liability - beginning</b>	<b>2,507,758</b>	<b>2,546,587</b>	<b>2,639,090</b>	<b>2,618,087</b>
<b>Total OPEB liability - ending (a)</b>	<b>2,546,587</b>	<b>2,639,090</b>	<b>2,618,087</b>	<b>2,771,922</b>
<b>Plan Fiduciary Net Position</b>				
Contributions - employer	139,650	263,080	302,272	217,510
Net investment income	-	(256)	17,858	7,986
Benefit payments	(139,650)	(153,025)	(203,753)	(217,510)
Administrative expense	-	(19)	(36)	(110)
<b>Net change in plan fiduciary net position</b>	<b>-</b>	<b>109,780</b>	<b>116,341</b>	<b>7,876</b>
<b>Plan fiduciary net position - beginning</b>	<b>-</b>	<b>-</b>	<b>109,780</b>	<b>226,121</b>
<b>Plan fiduciary net position - ending (b)</b>	<b>-</b>	<b>109,780</b>	<b>226,121</b>	<b>233,997</b>
<b>Net OPEB Liability - ending (a) - (b)</b>	<b>\$ 2,546,587</b>	<b>\$ 2,529,310</b>	<b>\$ 2,391,966</b>	<b>\$ 2,537,925</b>
<b>Plan fiduciary net position as a percentage of the total OPEB liability</b>	0.00%	4.16%	8.64%	8.44%
<b>Covered-employee payroll</b>	\$ 3,019,099	\$ 3,387,869	\$ 3,520,580	\$ 4,044,709
<b>Net OPEB liability as a percentage of covered-employee payroll</b>	84.35%	74.66%	67.94%	62.75%

(1) Historical information is required only for the measurement periods for which GASB 75 is applicable. Fiscal Year 2018 was the first year of implementation. Future years' information will be displayed up to 10 years as information becomes available.

CITY OF LIVINGSTON

**COST SHARING MULTIPLE EMPLOYER PLAN  
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS (1)**

	<b>Miscellaneous Rate Plan</b>			
	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
Rate Plan's Proportion of the Net Pension Liability	0.03960%	0.09348%	0.09502%	0.09687%
Rate Plan's Proportionate Share of the Net Pension Liability	\$ 2,464,138	\$ 2,564,162	\$ 3,300,933	\$ 3,818,551
Rate Plan's Covered Payroll	\$ 1,803,899	\$ 1,685,745	\$ 1,688,533	\$ 1,982,411
Rate Plan's Proportionate Share of the Net Pension Liability as Percentage of Covered Payroll	136.60%	152.11%	195.49%	192.62%
<b>The Pension Plan's (PERF-C) Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	79.98%	79.56%	75.06%	73.85%
	<b>Safety Rate Plan</b>			
	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
Rate Plan's Proportion of the Net Pension Liability	0.02230%	0.02793%	0.06184%	0.03184%
Rate Plan's Proportionate Share of the Net Pension Liability	\$ 1,387,572	\$ 1,150,641	\$ 1,649,184	\$ 1,933,287
Rate Plan's Covered Payroll	\$ 892,349	\$ 951,670	\$ 1,086,467	\$ 1,184,979
Rate Plan's Proportionate Share of the Net Pension Liability as Percentage of Covered Payroll	155.50%	120.91%	151.79%	163.15%
<b>The Pension Plan's (PERF-C) Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	80.42%	83.85%	78.69%	77.62%

**Notes to Schedule:**

Benefit Changes: There were no changes to benefit terms. However, the figures above do not include any liability impact that may have resulted from plan changes which occurred after June 30, 2016. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

Changes of Assumptions: In 2019, 2020 and 2021 there were no changes. 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. There were no changes in the discount rate. In 2017, the accounting discount rate reduced from 7.65 percent to 7.15 percent. In 2016, there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expense.) In 2014, amount reported were based on the 7.5 percent discount rate.

(1) Historical information is required only for measurement for which GASB 68 is applicable. Fiscal Year 2015 was the first year of implementation, therefore only seven years are shown.

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**Miscellaneous Rate Plan**

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<b>2019</b>	<b>2020</b>	<b>2021</b>
0.09879	0.10129%	0.04043%
\$ 3,723,031	\$ 4,056,159	\$ 4,398,717
\$ 2,375,780	\$ 2,180,943	\$ 2,503,615
156.71%	185.98%	175.69%
76.19%	75.89%	77.73%

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**Safety Rate Plan**

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<b>2019</b>	<b>2020</b>	<b>2021</b>
0.03331%	0.03451%	0.02225%
\$ 1,954,629	\$ 2,154,291	\$ 2,420,480
\$ 1,383,595	\$ 1,391,084	\$ 1,416,193
141.27%	154.86%	170.91%
77.70%	77.67%	75.10%



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CITY OF LIVINGSTON

**SCHEDULE OF OPEB CONTRIBUTIONS  
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS (1)**

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Actuarially Determined Contribution	\$ 192,372	\$ 286,831	\$ 284,608	\$ 251,891
Contribution in Relation to the Actuarially Determined Contributions	(263,080)	(302,272)	(217,510)	(177,772)
Contribution Deficiency (Excess)	<u>\$ (70,708)</u>	<u>\$ (15,441)</u>	<u>\$ 67,098</u>	<u>\$ 74,119</u>
Covered-employee payroll	\$ 3,387,869	\$ 2,519,808	\$ 2,601,702	\$ 4,166,050
Contributions as a percentage of covered-employee payroll	7.77%	12.00%	8.36%	4.27%

(1) Historical information is required only for the measurement periods for which GASB 75 is applicable. Fiscal Year 2018 was the first year of implementation. Future years' information will be displayed up to 10 years as information becomes available.

**Notes to Schedule:**

\*Actuarial methods and assumptions used to set the actuarially determined contribution for fiscal year 2021 were from the June 30, 2019 actuarial valuation.

**Methods and assumptions used to determine contributions:**

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market value
Discount rate	5.00%
Inflation	2.50%
Salary increases	3.00% annually
Mortality Rate*	Derived using CalPERS' membership data for all
Pre-Retirement Turnover**	Derived using CalPERS' membership data for all
Healthcare Trend Rate	Medical plan premiums are assumed to increase at somewhat higher rates than assumed in the prior valuation, with the ultimate trend of 5.0% per year.

CITY OF LIVINGSTON

**COST SHARING MULTIPLE-EMPLOYER PLAN  
SCHEDULE OF PLAN CONTRIBUTIONS  
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS (1)**

	<b>Miscellaneous Rate Plan</b>			
	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
Actuarially Determined Contribution	\$ 195,635	\$ 182,947	\$ 267,382	\$ 300,757
Contribution in Relation to the Actuarially Determined Contribution	(195,635)	(182,947)	(267,382)	(300,757)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -
Covered Payroll	\$ 1,803,899	\$ 1,685,745	\$ 1,688,533	\$ 1,982,411
Contributions as a Percentage of Covered Payroll	10.85%	10.85%	15.84%	15.17%

	<b>Safety Rate Plan</b>			
	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
Actuarially Determined Contribution	\$ 141,280	\$ 143,311	\$ 183,062	\$ 201,625
Contribution in Relation to the Actuarially Determined Contribution	(141,280)	(143,311)	(183,062)	(201,625)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -
Covered Payroll	\$ 892,349	\$ 951,670	\$ 1,086,467	\$ 1,184,979
Contributions as a Percentage of Covered Payroll	15.83%	15.06%	16.85%	17.02%

(1) Historical information is required only for measurement for which GASB 68 is applicable. Fiscal Year 2015 was the first year of implementation, therefore only seven years are shown.

**Note to Schedule:**

Valuation Date: June 30, 2018

Methods and assumptions used to determine contribution rates:

Actuarial cost method  
Amortization method/period

Entry age normal cost method  
Level percentage of pay, a summary of the current policy is provided in the table below:

Driver	Source				
	(Gain)/Loss		Assumption/ Method	Benefit Change	Golden Handshake
	Investment	Non-investment			
Amortization Period	30 years	30 Years	20 Years	20 Years	5 Years
Escalation Rate					
- Active Plans	2.750%	2.750%	2.750%	2.750%	2.750%
- Inactive Plans	0%	0%	0%	0%	0%
Ramp Up	5	5	5	0	0
Ramp Down	5	5	5	0	0

Assets valuation method  
Inflation  
Salary Increases  
Payroll Growth  
Investment rate of return  
Retirement age

Market Value  
2.63%  
Varies by Entry age and Service  
2.88%  
7.25%, net of pension plan investment expenses, including inflation.  
The probabilities of Retirement are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015  
The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and Post-retirement mortality rates include 15 years of projected mortality improvement using 90% of scale MP-2016 published by the Society of Actuaries

Mortality

<b>Miscellaneous Rate Plan</b>		
<b>2019</b>	<b>2020</b>	<b>2021</b>
\$ 271,882	\$ 413,145	\$ 477,503
(271,882)	(413,145)	(477,503)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 2,375,780	\$ 2,180,943	\$ 2,503,615
11.44%	18.94%	19.07%

<b>Safety Rate Plan</b>		
<b>2019</b>	<b>2020</b>	<b>2021</b>
\$ 252,298	\$ 273,044	\$ 445,506
(252,298)	(273,044)	(445,506)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 1,383,595	\$ 1,391,084	\$ 1,416,193
18.23%	19.63%	31.46%

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**SUPPLEMENTAL ONLY INFORMATION**

CITY OF LIVINGSTON

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2021

	Special Revenue Funds	Capital Projects Funds	Totals
<b>Assets</b>			
Cash and investments	\$ 2,981,769	\$ 2,965,505	\$ 5,947,274
Accounts and interest receivable	490	134,050	134,540
Due from other governments	363,059	165,780	528,839
Restricted assets:			
Cash and investments with fiscal agents	-	829,165	829,165
<b>Total Assets</b>	<b>\$ 3,345,318</b>	<b>\$ 4,094,500</b>	<b>\$ 7,439,818</b>
<b>Liabilities and Fund Balances</b>			
<b>Liabilities</b>			
Accounts payable	\$ 14,307	\$ 106,373	\$ 120,680
<b>Total Liabilities</b>	<b>14,307</b>	<b>106,373</b>	<b>120,680</b>
<b>Fund Balances</b>			
Restricted:			
Circulation improvements	3,147,580	-	3,147,580
Capital improvement projects	-	3,988,127	3,988,127
Public safety programs	183,431	-	183,431
<b>Total Fund Balances</b>	<b>3,331,011</b>	<b>3,988,127</b>	<b>7,319,138</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 3,345,318</b>	<b>\$ 4,094,500</b>	<b>\$ 7,439,818</b>

CITY OF LIVINGSTON

COMBINING STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2021

	Special Revenue Funds	Capital Project Funds	Totals
<b>Revenues</b>			
Development impact fees	\$ -	\$ 492,008	\$ 492,008
Intergovernmental	2,076,665	195,753	2,272,418
Use of money and property	3,784	24,512	28,296
Other	495	-	495
<b>Total Revenues</b>	<b>2,080,944</b>	<b>712,273</b>	<b>2,793,217</b>
<b>Expenditures</b>			
Current:			
Public safety	120,128	373	120,501
Planning and community development	-	149,045	149,045
Public works	488,269	-	488,269
Capital outlay	851,479	722,596	1,574,075
Debt service:			
Interest	-	63,636	63,636
<b>Total Expenditures</b>	<b>1,459,876</b>	<b>935,650</b>	<b>2,395,526</b>
Excess (deficiency) revenue over expenditures	621,068	(223,377)	397,691
<b>Other Financing Sources (Uses)</b>			
Transfers in	70,313	51,610	121,923
Transfers out	(51,610)	-	(51,610)
Proceeds on sale of asset	-	165,000	165,000
<b>Total Other Financing Sources (Uses)</b>	<b>18,703</b>	<b>216,610</b>	<b>235,313</b>
Net Change in Fund Balances	639,771	(6,767)	633,004
Fund Balances, Beginning of Year	2,691,240	3,994,894	6,686,134
<b>Fund Balances, End of Year</b>	<b>\$ 3,331,011</b>	<b>\$ 3,988,127</b>	<b>\$ 7,319,138</b>



CITY OF LIVINGSTON

COMBINING BALANCE SHEET  
 NONMAJOR SPECIAL REVENUE FUNDS  
 JUNE 30, 2021

	<u>Gas Tax</u>	<u>Local Transportation</u>	<u>RSTP</u>	<u>Abandoned Vehicle Abatement</u>
<b>Assets</b>				
Cash and investments	\$ 74,544	\$ 15,921	\$ 738,989	\$ 104,355
Accounts and interest receivable	6	50	291	-
Due from other governments	-	-	183,197	-
<b>Total Assets</b>	<b>\$ 74,550</b>	<b>\$ 15,971</b>	<b>\$ 922,477</b>	<b>\$ 104,355</b>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities</b>				
Accounts payable	\$ 4,003	\$ -	\$ -	\$ -
<b>Total Liabilities</b>	<b>4,003</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances</b>				
Restricted:				
Circulation improvements	70,547	15,971	922,477	-
Public safety programs	-	-	-	104,355
<b>Total Fund Balances</b>	<b>70,547</b>	<b>15,971</b>	<b>922,477</b>	<b>104,355</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 74,550</b>	<b>\$ 15,971</b>	<b>\$ 922,477</b>	<b>\$ 104,355</b>

CITY OF LIVINGSTON

COMBINING BALANCE SHEET  
 NONMAJOR SPECIAL REVENUE FUNDS  
 JUNE 30, 2021

	<u>Measure V</u>	<u>SB-1</u>	<u>Public Safety</u>	<u>Total</u>
<b>Assets</b>				
Cash and investments	\$ 1,168,049	\$ 800,600	\$ 79,311	\$ 2,981,769
Accounts and interest receivable	119	-	24	490
Due from other governments	152,661	27,201	-	363,059
<b>Total Assets</b>	<b>\$ 1,320,829</b>	<b>\$ 827,801</b>	<b>\$ 79,335</b>	<b>\$ 3,345,318</b>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities</b>				
Accounts payable	\$ 10,045	\$ -	\$ 259	\$ 14,307
<b>Total Liabilities</b>	<b>10,045</b>	<b>-</b>	<b>259</b>	<b>14,307</b>
<b>Fund Balances</b>				
Restricted:				
Circulation improvements	1,310,784	827,801	-	3,147,580
Public safety programs	-	-	79,076	183,431
<b>Total Fund Balances</b>	<b>1,310,784</b>	<b>827,801</b>	<b>79,076</b>	<b>3,331,011</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 1,320,829</b>	<b>\$ 827,801</b>	<b>\$ 79,335</b>	<b>\$ 3,345,318</b>

CITY OF LIVINGSTON

COMBINING STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
YEAR ENDED JUNE 30, 2021

	Gas Tax	Local Transportation	RSTP	Abandoned Vehicle Abatement
<b>Revenues</b>				
Intergovernmental	\$ 323,583	\$ 14,836	\$ 183,197	\$ 13,414
Use of money and property	46	389	2,256	-
Other	-	-	-	-
<b>Total Revenues</b>	<b>323,629</b>	<b>15,225</b>	<b>185,453</b>	<b>13,414</b>
<b>Expenditures</b>				
Current:				
Public safety	-	-	-	11,289
Public works	382,380	-	-	-
Capital outlay	-	76,450	-	-
<b>Total Expenditures</b>	<b>382,380</b>	<b>76,450</b>	<b>-</b>	<b>11,289</b>
Excess (deficiency) revenue over expenditures	(58,751)	(61,225)	185,453	2,125
<b>Other Financing Sources (Uses)</b>				
Transfers in	70,313	-	-	-
Transfers out	-	(51,610)	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>70,313</b>	<b>(51,610)</b>	<b>-</b>	<b>-</b>
Net Change in Fund Balances	11,562	(112,835)	185,453	2,125
Fund Balances, Beginning of Year	58,985	128,806	737,024	102,230
<b>Fund Balances, End of Year</b>	<b>\$ 70,547</b>	<b>\$ 15,971</b>	<b>\$ 922,477</b>	<b>\$ 104,355</b>

CITY OF LIVINGSTON

COMBINING STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
YEAR ENDED JUNE 30, 2021

	<u>Measure V</u>	<u>SB-1</u>	<u>Public Safety</u>	<u>Total</u>
<b>Revenues</b>				
Intergovernmental	\$ 1,165,530	\$ 276,096	\$ 100,009	\$ 2,076,665
Use of money and property	918	-	175	3,784
Other	495	-	-	495
<b>Total Revenues</b>	<b>1,166,943</b>	<b>276,096</b>	<b>100,184</b>	<b>2,080,944</b>
<b>Expenditures</b>				
Current:				
Public safety	-	-	108,839	120,128
Public works	77,299	28,590	-	488,269
Capital outlay	775,029	-	-	851,479
<b>Total Expenditures</b>	<b>852,328</b>	<b>28,590</b>	<b>108,839</b>	<b>1,459,876</b>
Excess (deficiency) revenue over expenditures	314,615	247,506	(8,655)	621,068
<b>Other Financing Sources (Uses)</b>				
Transfers in	-	-	-	70,313
Transfers out	-	-	-	(51,610)
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>18,703</b>
Net Change in Fund Balances	314,615	247,506	(8,655)	639,771
Fund Balances, Beginning of Year	996,169	580,295	87,731	2,691,240
<b>Fund Balances, End of Year</b>	<b>\$ 1,310,784</b>	<b>\$ 827,801</b>	<b>\$ 79,076</b>	<b>\$ 3,331,011</b>

CITY OF LIVINGSTON

COMBINING BALANCE SHEET  
 NONMAJOR CAPITAL PROJECTS FUNDS  
 JUNE 30, 2021

	Amenities Impact Fees	Capital Projects	Fire Impact Fees	Police Impact Fees
<b>Assets</b>				
Cash and investments	\$ 22,040	\$ 279,130	\$ 329,073	\$ 306,128
Accounts and Interest Receivable	17	132,254	236	158
Due from other governments	-	165,780	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	829,165	-	-
<b>Total Assets</b>	<b>\$ 22,057</b>	<b>\$ 1,406,329</b>	<b>\$ 329,309</b>	<b>\$ 306,286</b>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities</b>				
Accounts payable	\$ -	\$ 88,714	\$ -	\$ -
<b>Total Liabilities</b>	<b>-</b>	<b>88,714</b>	<b>-</b>	<b>-</b>
<b>Fund Balances</b>				
Restricted:				
Capital improvement projects	22,057	1,317,615	329,309	306,286
<b>Total Fund Balances</b>	<b>22,057</b>	<b>1,317,615</b>	<b>329,309</b>	<b>306,286</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 22,057</b>	<b>\$ 1,406,329</b>	<b>\$ 329,309</b>	<b>\$ 306,286</b>

CITY OF LIVINGSTON

COMBINING BALANCE SHEET  
 NONMAJOR CAPITAL PROJECTS FUNDS  
 JUNE 30, 2021

	Municipal Facilities Impact Fees	Park Impact Fees	Streets & Storm Drain Impact Fees	General Plan Impact Fees
<b>Assets</b>				
Cash and investments	\$ 978,548	\$ 64,085	\$ 710,201	\$ 276,300
Accounts and Interest Receivable	705	17	402	261
Due from other governments	-	-	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
<b>Total Assets</b>	<b>\$ 979,253</b>	<b>\$ 64,102</b>	<b>\$ 710,603</b>	<b>\$ 276,561</b>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ 17,659
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>17,659</b>
<b>Fund Balances</b>				
Restricted:				
Capital improvement projects	979,253	64,102	710,603	258,902
<b>Total Fund Balances</b>	<b>979,253</b>	<b>64,102</b>	<b>710,603</b>	<b>258,902</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 979,253</b>	<b>\$ 64,102</b>	<b>\$ 710,603</b>	<b>\$ 276,561</b>

CITY OF LIVINGSTON

COMBINING BALANCE SHEET  
NONMAJOR CAPITAL PROJECTS FUNDS  
JUNE 30, 2021

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	<u>Total</u>
<b>Assets</b>	
Cash and investments	\$ 2,965,505
Accounts and Interest Receivable	134,050
Due from other governments	165,780
Restricted assets:	
Cash and investments with fiscal agents	<u>829,165</u>
<b>Total Assets</b>	<b><u>\$ 4,094,500</u></b>
<b>Liabilities and Fund Balances</b>	
<b>Liabilities</b>	
Accounts payable	<u>\$ 106,373</u>
<b>Total Liabilities</b>	<b><u>106,373</u></b>
<b>Fund Balances</b>	
Restricted:	
Capital improvement projects	<u>3,988,127</u>
<b>Total Fund Balances</b>	<b><u>3,988,127</u></b>
<b>Total Liabilities and Fund Balances</b>	<b><u>\$ 4,094,500</u></b>

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CITY OF LIVINGSTON

COMBINING STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2021

	Amenities Impact Fees	Capital Projects	Fire Impact Fees	Police Impact Fees
<b>Revenues</b>				
Development impact fees	\$ -	\$ -	\$ 44,623	\$ 76,095
Intergovernmental	-	195,753	-	-
Use of money and property	128	10,607	1,831	1,221
<b>Total Revenues</b>	<b>128</b>	<b>206,360</b>	<b>46,454</b>	<b>77,316</b>
<b>Expenditures</b>				
Current:				
Public safety	-	-	-	373
Planning and community development	-	-	441	-
Capital outlay	-	720,912	-	-
Debt service:				
Interest	-	63,636	-	-
<b>Total Expenditures</b>	<b>-</b>	<b>784,548</b>	<b>441</b>	<b>373</b>
Excess (deficiency) revenue over expenditures	128	(578,188)	46,013	76,943
<b>Other Financing Sources</b>				
Transfers in	-	51,610	-	-
Proceeds on sale of asset	-	165,000	-	-
<b>Total Other Financing Sources</b>	<b>-</b>	<b>216,610</b>	<b>-</b>	<b>-</b>
Net Change in Fund Balances	128	(361,578)	46,013	76,943
Fund Balances, Beginning of Year	21,929	1,679,193	283,296	229,343
<b>Fund Balances, End of Year</b>	<b>\$ 22,057</b>	<b>\$ 1,317,615</b>	<b>\$ 329,309</b>	<b>\$ 306,286</b>

CITY OF LIVINGSTON

COMBINING STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2021

	Municipal Facilities Impact Fees	Park Impact Fees	Streets & Storm Drain Impact Fees	General Plan Impact Fees
<b>Revenues</b>				
Development impact fees	\$ 47,121	\$ 39,140	\$ 176,348	\$ 108,681
Intergovernmental	-	-	-	-
Use of money and property	5,459	134	3,112	2,020
<b>Total Revenues</b>	<b>52,580</b>	<b>39,274</b>	<b>179,460</b>	<b>110,701</b>
<b>Expenditures</b>				
Current:				
Public safety	-	-	-	-
Planning and community development	2,375	440	1,894	143,895
Capital outlay	-	1,684	-	-
Debt service:				
Interest	-	-	-	-
<b>Total Expenditures</b>	<b>2,375</b>	<b>2,124</b>	<b>1,894</b>	<b>143,895</b>
Excess (deficiency) revenue over expenditures	50,205	37,150	177,566	(33,194)
<b>Other Financing Sources</b>				
Transfers in	-	-	-	-
Proceeds on sale of asset	-	-	-	-
<b>Total Other Financing Sources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net Change in Fund Balances	50,205	37,150	177,566	(33,194)
Fund Balances, Beginning of Year	929,048	26,952	533,037	292,096
<b>Fund Balances, End of Year</b>	<b>\$ 979,253</b>	<b>\$ 64,102</b>	<b>\$ 710,603</b>	<b>\$ 258,902</b>

CITY OF LIVINGSTON

COMBINING STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2021

	<u>Total</u>
<b>Revenues</b>	
Development impact fees	\$ 492,008
Intergovernmental	195,753
Use of money and property	<u>24,512</u>
<b>Total Revenues</b>	<b><u>712,273</u></b>
<b>Expenditures</b>	
Current:	
Public safety	373
Planning and community development	149,045
Capital outlay	722,596
Debt service:	
Interest	<u>63,636</u>
<b>Total Expenditures</b>	<b><u>935,650</u></b>
Excess (deficiency) revenue over expenditures	(223,377)
<b>Other Financing Sources</b>	
Transfers in	51,610
Proceeds on sale of asset	<u>165,000</u>
<b>Total Other Financing Sources</b>	<b><u>216,610</u></b>
Net Change in Fund Balances	(6,767)
Fund Balances, Beginning of Year	<u>3,994,894</u>
<b>Fund Balances, End of Year</b>	<b><u>\$ 3,988,127</u></b>

CITY OF LIVINGSTON

SCHEDULE OF NET REVENUE AVAILABLE FOR DEBT SERVICE  
 YEAR ENDED JUNE 30, 2021

	<u>Domestic Waste Water</u>
<b>Operating Revenues</b>	
Charges for services	\$ 2,243,638
Other income	444,430
<b>Total Operating Revenues</b>	<u><b>2,688,068</b></u>
<b>Operating Expenses</b>	
Contract services and utilities	385,094
Personnel costs	638,629
Supplies and materials	260,993
<b>Total Operating Expenses</b>	<u><b>1,284,716</b></u>
Net Revenue	1,403,352
<b>Non- Operating Revenues</b>	
Investment income	24,871
<b>Net Non-operating Revenues</b>	<u><b>24,871</b></u>
Net Revenue Available for Debt Service	<u><u>\$ 1,428,223</u></u>
<b>Parity Obligation Debt Service</b>	
2016A Sewer Refunding Bond Debt Service	<u><u>\$ 448,650</u></u>
Parity Obligation Debt Service Rate Covenant Coverage	<u><u><b>3.18</b></u></u>

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

To the Honorable Mayor and Members of the City Council  
City of Livingston, California

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, each major fund, and the aggregate remaining fund information of the City of Livingston, California, (the City) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated November 16, 2022.

**Internal Control over Financial Reporting**

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. During our audit we identified the following deficiency in internal control, described in the accompanying schedule of findings and questioned costs, that we consider to be a material weakness: Finding 2021-001 – Capital Asset Records. We did not identify deficiencies in internal control that we considered to be a significant deficiency.



To the Honorable Mayor and Members of the City Council  
City of Livingston, California

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on 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 did not result in instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **City's Response to Findings**

The City's response to the findings identified in our audit was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### **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 City'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 City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Lance, Soll &amp; Loughard, LLP". The signature is written in a cursive, flowing style.

Sacramento, California  
November 16, 2022



To the Honorable Mayor and Members of the City Council  
City of Livingston, California

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**Capital Asset Records**

**Reference Number:** 2021-001

**Evaluation of Finding:**  
Material Weakness

**Condition:**

During our review of capital asset records and transactions, we noted material adjustments that were required to reconcile underlying accounting records to previously issued Annual Comprehensive Financial Reports. The net effect of these adjustments resulted in a restatement of Net Position totaling \$67,585 and \$1,150,795 for Governmental Activities and Business-Type Activities, respectively.

**Criteria:**

Accurate recordkeeping and reconciliation of capital assets to issued Annual Comprehensive Financial Reports are an integral part of internal control and financial reporting accuracy in accordance with Generally Accepted Accounting Principles.

**Cause of Condition:**

City personnel are not routinely reconciling underlying accounting records to the trial balance and general ledger.

**Effect or Potential Effect of Condition:**

The Net Position of the Governmental Activities and Business-Type Activities were understated in previously issued Annual Comprehensive Financial Reports.

**Recommendation:**

We recommend the City routinely reconcile underlying accounting records to the trial balance and general ledger on a regular basis to ensure capital assets are recorded timely and accurately.

**Management's Response and Corrective Action:**

The City of Livingston transitioned from manually tracking Fixed Assets in Excel to using Springbrook accounting software and in the transition of assets into the financial system some items were missed. We made the correcting entries in our financial system and will reconcile Fixed Assets periodically going forward.



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