

**ANNUAL  
COMPREHENSIVE FINANCIAL REPORT  
CITY OF LIVINGSTON, TEXAS**

**FISCAL YEAR  
OCTOBER 1, 2022 - SEPTEMBER 30, 2023  
ISSUED BY: FINANCE DEPARTMENT  
LINNETTE BARKER**

**CITY OF LIVINGSTON, TEXAS  
ANNUAL COMPREHENSIVE FINANCIAL REPORT  
SEPTEMBER 30, 2023**

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# *City of Livingston, Texas*

A Texas Main Street City Since 2005

200 West Church Street, Livingston, Texas 77351-3281

Telephone: (936) 327-4311 Fax: (936) 327-7608

[www.cityoflivingston-tx.com](http://www.cityoflivingston-tx.com)

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March 13, 2024

Honorable Mayor,  
Members of the City Council,  
And Citizens of the  
City of Livingston  
Livingston, Texas

City of Livingston Mayor and City Council:

The Annual Comprehensive Financial Report (ACFR) of the City of Livingston for the fiscal year ended September 30, 2023 is submitted herewith. This report is published to provide the City Council, City Staff, the citizens, the bondholders and other interested parties with detailed information concerning the financial condition and activities of the City government. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City.

To the best of our knowledge and belief, the enclosed data is accurate in all material respects, and is organized in a manner designed to fairly present the financial position and results of operations of the City as measured by the financial activity of its various funds. We also believe that all disclosures necessary to enable the reader to gain the maximum understanding of the City's financial affairs have been included.

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

The financial section of this report includes Management's Discussion and Analysis (MD&A), basic financial statements and individual fund statements and schedules, as well as the independent auditor's report on the basic financial statements. The MD&A is a narrative introduction, overview, and analysis to accompany the basic financial statements. This letter of transmittal is designed to complement and should be read in conjunction with the MD&A. The City of Livingston's MD&A can be found immediately following the report of the independent auditor.

The Financial Section described above is prepared in accordance with generally accepted accounting principles for governments as prescribed by the Governmental Accounting Standards Board (GASB) and other professional associations, as applicable.

## **CITY PROFILE**

### **Location**

The City of Livingston is located in southeast Polk County, approximately 75 miles northeast of Houston. Livingston is readily accessible via U.S. Highway 59 on the north and south and U.S. 190 on the east and west.

The City is a general law city operating under the Council-Manager form of government. The City Council is comprised of the Mayor and five Council members, who enact local laws, determine policies and adopt the annual budget. The City Manager is appointed by the City Council and is responsible for the daily management of the City. The basic financial statements of the City include all government activities, organizations and functions for which the City is financially accountable as defined by the GASB. Based on these criteria no other governmental organizations are included in this report.

## Services Provided

Reflected in this report is the extensive range of services provided by the City of Livingston. These basic services include public safety, streets, sanitation, parks, recreation, events, library, provision of water and electricity, sewage disposal and general administration services.

## Accounting Systems and Budgetary Control

In developing and evaluating the City's accounting control system, consideration is given to the adequacy of internal accounting controls. Accounting control comprises the plan of organization and the procedures and records that are concerned with the safeguarding of assets and the reliability of financial records and, consequently, are designed to provide reasonable assurance that:

1. Transactions are executed in accordance with management's general or specific authorization.
2. Transactions are recorded as necessary (1) to permit preparation of financial statements in conformity with generally accepted accounting principles or any other criteria, such as finance-related legal and contractual compliance requirements applicable to such statements, and (2) to maintain accountability for assets.
3. Access to assets is permitted only in accordance with management's authorization.
4. The recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences.

The definition of accounting control comprehends reasonable, but not absolute, assurance that the objectives expressed in it will be accomplished by the system. The concept of reasonable assurance recognizes that the cost of internal control should not exceed the benefits expected to be derived. The benefits consist of reductions in the risk of failing to achieve the objectives implicit in the definition of accounting control.

All internal control evaluations occur within the above framework. We believe that the City's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

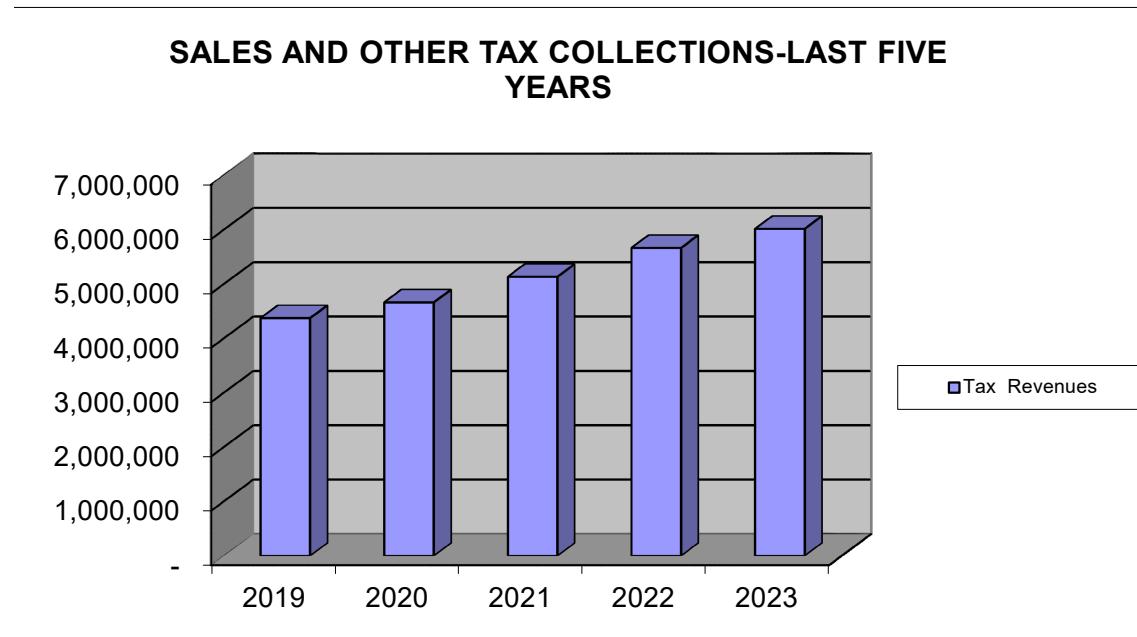
In accordance with the State Laws of Texas, the City has formally established budgetary accounting control for its operating funds. Budgetary control is maintained at the department head/function level. Financial reports are produced showing budget and actual expenditures by line item, and are distributed monthly to City departmental and divisional management and to others upon request. Individual line items are reviewed and analyzed for budgetary compliance. Personnel expenditures are monitored and controlled at a position level and capital expenditures (items over \$1,000 and having a useful life of three or more years) are monitored and controlled item by item. Revenue budgets are reviewed monthly.

## ECONOMIC OUTLOOK AND FINANCIAL CONDITION

The local economy experienced an increase in most economic indicators in 2023. Sales tax revenue, a major indicator of the economic condition of the area, increased from \$5,209,000 to \$5,506,000, an increase of \$297,000 or 5.7%. The increase was due to improved economic activity.

In fiscal 2023, hotel occupancy tax, sanitation service fees, gross receipts and franchise fees increased by 7.9%, from fiscal 2022. Fines and forfeitures decreased by 6.9%, and parks and recreation and library user fees decreased by 34.6%.

A graph of tax receipts follows:



The Utility Fund revenues, including electric and water sales increased in 2023 due to the continued growth of the community. Electric sales increased by 10.3% from \$10,688,938 in fiscal year 2022 to \$11,787,552 in fiscal 2023. The total gallons of water consumed in the city increased 9.66% from 576,546,000 gallons in fiscal year 2022 as compared to 632,266,000 gallons in fiscal year 2023. The TDCJ Polunsky Unit continued as the City's largest water and wastewater user consuming 298,107,000 gallons of water with the IAH federal detention facility, located on FM 350 South, as the second largest water and wastewater user consuming 19,915,000 gallons of water. Together, these two facilities represent 52.33% of water and sewer consumption, or 318,022,000 gallons of the total water consumed in fiscal year 2023.

#### Economic Development

A total of 42 building permits were issued by the City for commercial and residential construction projects in calendar year 2023 with a total construction value of \$12,573,758. This activity demonstrates the positive economic climate in the local community which is expected to continue into the new year with additional projects currently in the planning and development stages.

During the fiscal 2023 year the City added the construction of two (2) new bakeries, Stella's and Katies Kitchen, new construction of On the Road Convenience store, The Vault Venue establishment along with the construction of a suite of new office buildings located across from the Judicial Center and a Tesla Supercharging Station Complex to accommodate our motorists with electric automobiles. Entering 2024 we have the following construction projects pending:

- \$12.5mm renovation of our courthouse located within the city.
- Construction of a new 64-unit apartment complex.
- Construction of a new Memory Care facility with 16 residential rooms.
- Construction of a new John Deere Dealership with a Turf business. (King Ranch, Inc.)
- Construction of a new storage building at Ameristeel/Postel

- Construction of a new storage building at Direct Solutions.
- Construction of a new Slim Chickens fast food restaurant.
- Buildout of a 680 sf Woodforest Bank Branch inside the local Wal-Mart.

#### Capital Projects

- Major overhaul and modification of our Sewer Plant with the help of our ARPA funds.
- The City purchased two (2) fully equipped Patrol cars for the Police Department.
- Continued preventive maintenance of limbs for the Electric Department.
- Continued manhole rehabilitation and sewer line installation for the Sewer Department.
- Continued our efforts of preservation & Imaging of our Minutes & Ordinance Records.
- Through grant funds we were able to purchase 23 bullet proof assault shields for the patrol cars and to be placed in the local schools.
- Constructed a tractor barn for the Parks Department at Pedigo Park.
- Constructed fencing around the elevated storage tanks.
- Purchased trucks for the Sewer and Park Departments.

The fiscal year 2024 includes the following major capital improvement projects:

- A new fire engine for the Fire Department.
- Completion of the installation of AMI (Smart Meters) for the Water and Electric Departments.
- A 860' storm drain to be installed from Milam Street to Anniversary Park.
- Purchase of a tractor with attachments for the Street Department.
- Construction of four Pickleball Courts at Matthews Park.
- Airport improvements which include a Pilots Lounge with restrooms and a cover for the new fuel tank.
- 12" Water and Electric Line reconductoring on South Washington and Old Hwy 35 to upgrade water and electric capacity in the South end of the city.
- capacity to the south end of the city.
- Major repairs and re-painting of the West Street Water Tank.
- Installation of Bar Screen for the Prison Sewer Lift Station.
- Construction of new restrooms in Matthews Park.
- Construction of Restrooms & Concession Stand for Soccer Fields at Pedigo park.
- Construction of Restrooms at the Football Fields at Pedigo Park.

#### Future Economic Outlook

The City has been working to improve our infrastructure in anticipation of the expected growth that is coming to the community. The City sits geographically at the intersection of I-69 and Hwy 190 (soon to be I-14) and located just an hour away from the city of Houston.

The City offers its citizens that small town feeling with recreation such as Lake Livingston and the Naskila Entertainment Gaming Center on the Indian Reservation located 17 miles east of the City adding a boost to our local tourism and employment in the area. The U.S. Supreme Court recently ruled that the Alabama-Coushatta Tribe of Texas could continue to operate the Naskila Gaming facility allowing them to expand their operations to eventually include a full-fledged casino, hotel, and golf-course. Currently the Naskila Entertainment Gaming Center employs over 500 people.

The Polk County Economic Development Committee hired an Executive Director, Mr. John Tarver, who will be officed temporarily in the City library. Mr. Tarver is highly regarded in the economic development field and we look forward to working with him to bring new manufacturing and industrial facilities to the community.

We are excited about the prospects for the new year. We expect continued growth, increased sales tax revenue, along with electric, water and sewer revenues. With this growth will come new challenges including adequate housing, traffic, and crime, but we feel that we have the right people with the right vision in place to handle these challenges and continue to make the City a great place to call home.

## Financial Policies

The overall strategy of the City related to cash deposits and investments is to limit the exposure of credit risk and market risk to the City. All bank balances are insured and collateralized with securities held by the City's agent in the City's name. The City added assets to its money market funds and a government investment pool in 2023. All investments meet the legal requirements of the City.

The City is exposed to a variety of accidental losses and has established a risk management strategy that attempts to minimize losses and the carrying cost of insurance.

Risk control techniques have been established to reasonably assure that the City's employees are aware of their responsibilities regarding loss control related to their duties. Risk control techniques have been established to reduce losses to property owned or under the control of the City. Supervisory personnel are held responsible for monitoring risk control techniques on an operational basis.

The primary technique used for risk financing is the purchase of insurance policies from commercial insurers and through participation in the Texas Municipal League Intergovernmental Risk Pool. Coverage in the pool is continuous and annual contributions are subject to adjustment each year based on updated exposure information and changes in ratings.

## OTHER INFORMATION

### Independent Audit

The financial records, books of account, and City transactions for the fiscal year ended September 30, 2023, have been audited by Independent Public Accountants, and their opinion is included in this report.

### Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its annual comprehensive financial report for the fiscal year ended September 30, 2022. This was the thirty-fifth consecutive year (fiscal years ended 1988-2022) that the government has received this prestigious award. To be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a one-year period only. We believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.

### Acknowledgement

The preparation of this report on a timely basis could not have been accomplished without the efforts and dedication of the staff of the Administrative Department. I would like to express my appreciation to my staff and other personnel from various departments who assisted in its preparation. Also, I would like to thank the Mayor and the City Council for their interest and support in planning and conducting the financial operations of the City in a dedicated and responsible manner.

Respectfully submitted,



Linnette Barker  
Finance Director

**CITY OF LIVINGSTON, TEXAS**

**September 30, 2023**

**PRINCIPAL OFFICIALS**

**City Council**

|               |                    |
|---------------|--------------------|
| Mayor         | Judy Cochran       |
| Mayor Pro-tem | Alan Cook          |
| Alderman      | Raymond Luna       |
| Alderman      | Elgin Davis        |
| Alderman      | Bobby Jackson, Sr. |

**Administration**

|                       |                  |
|-----------------------|------------------|
| City Manager          | Billy S. Wiggins |
| City Finance Director | Linnette Barker  |
| City Secretary        | Ellie Monteaux   |
| City Attorney         | James Wright     |

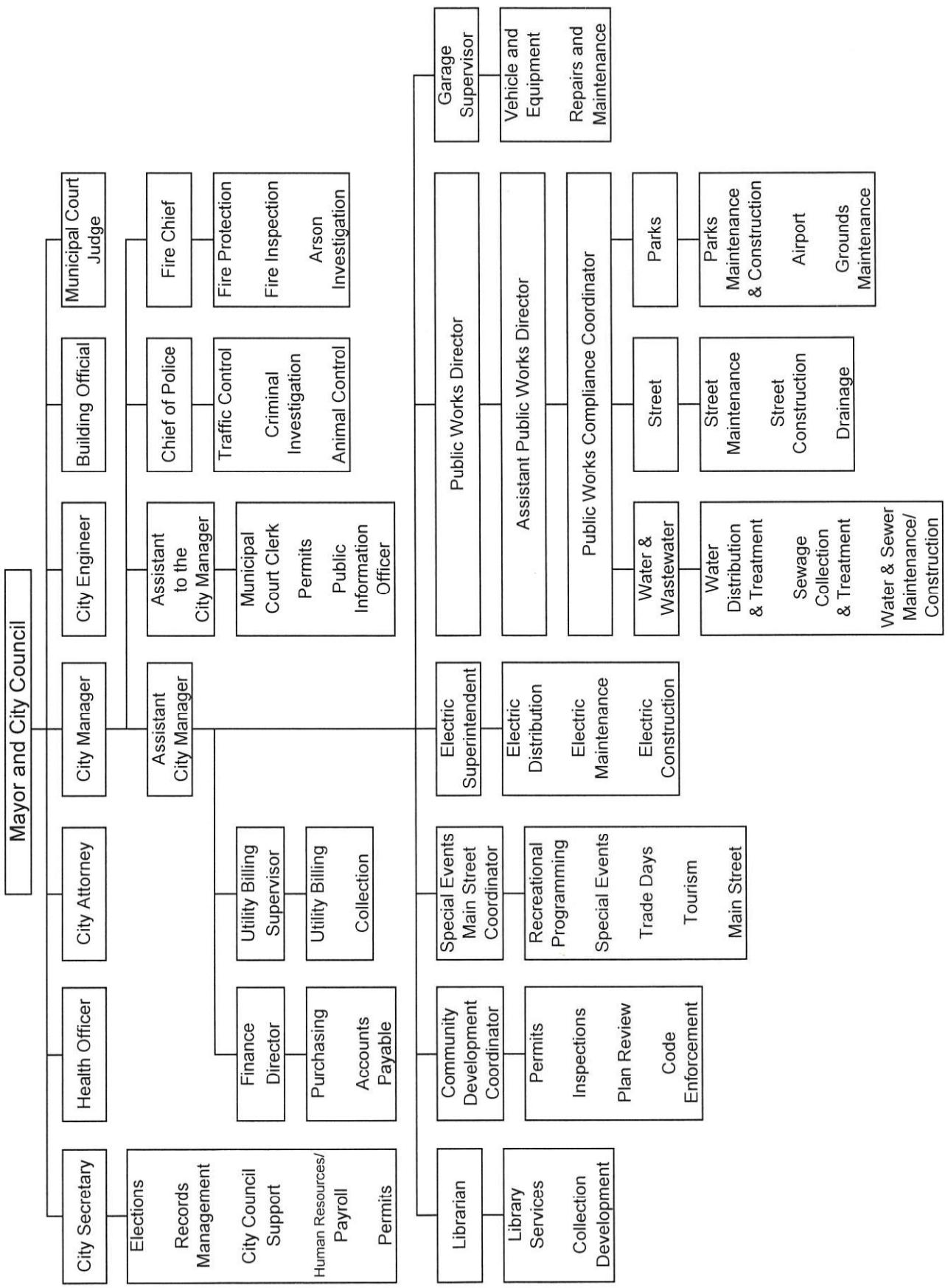
**Form of Government**

Council - Manager  
General Law City

**CITY OF LIVINGSTON, TEXAS  
ORGANIZATIONAL CHART**

APPROVED By City Council 9/12/2023

2023 - 2024





Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**City of Livingston  
Texas**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

September 30, 2022

*Christopher P. Monell*

Executive Director/CEO

## **FINANCIAL SECTION**

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**INDEPENDENT AUDITOR'S REPORT**

The Honorable Judy Cochran, Mayor  
and Members of the City Council  
City of Livingston  
Livingston, Texas

**Report on the Audit of the Financial Statements****Opinion**

We have audited the financial statements of the governmental activities, business-type activities, and major fund of the City of Livingston, Texas, (the City) as of and for the year ended September 30, 2023, 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 accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and the major fund of the City of Livingston, Texas as of September 30, 2023, 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.

**Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (GAGAS). 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 audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

**Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States, 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 financial statement date, including any currently known information that may raise doubt shortly thereafter.

## **Auditor's Responsibility 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 GAGAS 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 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 GAGAS, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess 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.

## **Required Supplementary Information**

Accounting principles generally accepted in the United States require that the management's discussion and analysis on pages 5-13 and the schedules of changes in net pension liability, contributions, changes in total other postemployment benefits on pages 53-59 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, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

## **Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the City's basic financial statements. The budgetary comparison schedules, individual fund financial statements, and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States. In our opinion the budgetary comparison schedules, individual fund financial statements, and the schedule of expenditures of federal awards are fairly stated, in all material respects in relation to the basic financial statements as a whole.

## **Other Information**

Management is responsible for the other information included in the annual report. The other information comprises the introductory section and statistical information, but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

## **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated March 13, 2024, 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.

*Harper & Pearson Company, P.C.*

HARPER & PEARSON COMPANY, P.C.

Houston, Texas  
March 13, 2024

## **CITY OF LIVINGSTON, TEXAS**

### **MANAGEMENT'S DISCUSSION AND ANALYSIS**

**SEPTEMBER 30, 2023**

Our discussion and analysis of the City of Livingston's financial performance provides an overview and analysis of the City's financial activities for the fiscal year ended September 30, 2023. Please read it in conjunction with the accompanying transmittal letter and the accompanying basic financial statements.

#### **FINANCIAL HIGHLIGHTS**

- The City's net position of governmental activities increased by \$1,453,000 or 10.5% as a result of the year's operations, and transfers from the City's business type activities. The operating results declined from 2022, and reflected a loss of \$1,306,000 before transfers. The expenses of the various departments were higher than 2022 reflecting an increase of \$1,578,000. Net position of the City's business type activities increased by \$7,968,000 or 12.9% during 2023. The increase was primarily a result of strong operating results from the business type activities along with increased interest income due to the rise in interest rates. The operating results for the business type activities increased slightly by approximately \$45,000 or less than 1.0% primarily due to recognition of grants received for sewer system improvements. Deferred outflows of resources that relate primarily to the City's participation in the Texas Municipal Retirement System (TMRS) increased in total from \$605,954 in 2022 to \$3,573,335 in 2023 due to an increase in contributions after December 31, 2022 and an increase in difference in experience due to unfavorable investment results by TMRS. Deferred inflows of resources decreased by \$2,508,306 due to the reduced investment returns for the pension plan and the expenditure of federal funds restricted to use for water and sewer system improvements.
- The City's total net position increased by \$9,421,000 or 12.5% during the current fiscal year. The increase is the result of the changes described above.
- Total cost of the City's government programs increased \$1,578,000 or 19.3%. Expenses increased in all departments except the fire department. The largest contributors to the increase were increased salaries in the police department due to increased staffing, increased retirement costs and employee insurance in all departments, sanitation costs of \$121,000 due to an increase in the cost of supplies and contract disposal services, and an increase in streets due to outside equipment rental.
- As of September 30, 2023, the City of Livingston's governmental fund reported an ending fund balance of \$6,931,000, an increase of \$1,888,000 from the prior fiscal year. The increase is due primarily to an increase in sales tax revenues of \$296,000 and an increase in transfers from the City's business type activities of \$1,269,000.
- At the end of the current fiscal year, the unassigned fund balance for the general fund was \$6,895,000 or approximately 73.9% of total general fund expenditures.

#### **OVERVIEW OF THE FINANCIAL STATEMENTS**

Management's Discussion and Analysis is intended to serve as an introduction to the City of Livingston's basic financial statements. The City of Livingston's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves along with reports required by *Government Auditing Standards*.

**Government-wide Financial Statements.** The government-wide financial statements are designed to provide readers with a broad overview of the City of Livingston's finances, in a manner similar to private-sector business. The statement of net position presents information on all of the City of Livingston's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City of Livingston is improving or deteriorating. The statement of net position combines and consolidates governmental funds current financial resources (short-term spendable resources) with capital assets and long-term obligations. Other non-financial factors should also be taken into consideration, such as changes in the City's sales tax base and the condition of the City's infrastructure (i.e. roads, drainage improvements, storm and sewer lines, etc.), to assess the overall health or financial condition of the City.

The statement of activities presents information showing how the City's net position changed during the most recent fiscal year. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected taxes, etc.). Both the statement of net position and the statement of activities are prepared utilizing the accrual basis of accounting.

In the Statement of Net Position and the Statement of Activities, the City is divided into two kinds of activities:

- Governmental activities - Most of the City's basic services are reported here, including the police, fire, libraries, parks development, public services and operations, information services and general administration. Sales tax and charges for services finance most of these activities.
- Business-type activities - The City charges a fee to customers to help it cover all or most of the cost of certain services it provides. The City's electric, water and sewer systems are reported here.

## **Reporting the City's Most Significant Funds**

### **Fund Financial Statements**

The fund financial statements provide detailed information about the most significant funds - not the City as a whole. Some funds are required to be established by state law and by bond covenants. However, the City Council establishes some funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money. The City's two kinds of funds - governmental and proprietary - utilize different accounting approaches.

- Governmental funds - The majority of the City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method identified as the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. By comparing information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements, readers may better understand the long-term impact of the government's near-term financing decisions. The relationships or differences between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds are detailed in a reconciliation following the fund financial statements.

City of Livingston, Texas  
Management's Discussion and Analysis (continued)  
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The City of Livingston maintains one individual governmental fund. Information is presented in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balance for the general fund which is considered to be a major fund.

- Proprietary funds - The City charges customers for the services it provides. These services are generally reported in the proprietary fund. Proprietary funds are reported in the same way that all activities are reported in the statement of net position and the statement of activities. In fact, the City's proprietary fund is identical to the business-type activities that are reported in the government-wide statements but provide more detail and additional information, such as cash flows. The City uses the proprietary fund to account for its electric, water and sewer activities.

### **Other Information**

In addition to the basic financial statements and accompanying notes, this report presents certain required supplementary information concerning the City's net pension liability and annual contributions to the pension plan along with other postemployment benefits liability (OPEB). The Texas Municipal Retirement System (TMRS) administers the City's pension plan through a cost-sharing multiple employer defined benefit plan and the City's OPEB (death benefits). Further information about the City of Livingston's pension plan can be found in footnote 7, pages 42-46 of this report. Information regarding the City's OPEB can be found in footnote 8, pages 47-49 of this report.

### **THE CITY AS A WHOLE - Government-Wide Financial Analysis**

The City's combined net position was \$85,065,000 as of September 30, 2023. Analyzing the net position of governmental and business-type activities separately, the business type activities net position is \$69,795,000. This analysis focuses on the net position (Table 1) and changes in net position (Table 2) and significant expenses of the City's governmental and business-type activities.

By far the largest portion of the City's net position (52.68%) reflects its investment in capital assets (e.g., land, water rights, buildings, machinery, equipment, and infrastructure); less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

City of Livingston, Texas  
 Management's Discussion and Analysis (continued)  
 September 30, 2023

A comparative analysis of government-wide data is presented below.

**Table 1**  
**Net Position**

|   | <b>Governmental Activities</b> |                      | <b>Business-Type Activities</b> |                      | <b>Total Primary Government</b> |                      |
|---|--------------------------------|----------------------|---------------------------------|----------------------|---------------------------------|----------------------|
|   | <b>2023</b>                    | <b>2022</b>          | <b>2023</b>                     | <b>2022</b>          | <b>2023</b>                     | <b>2022</b>          |
| Current and other assets                            | \$ 7,328,879                   | \$ 5,391,071         | \$ 39,358,455                   | \$ 34,674,873        | \$ 46,687,334                   | \$ 40,065,944        |
| Capital assets                                      | <u>10,050,256</u>              | <u>10,195,637</u>    | <u>51,162,348</u>               | <u>47,977,074</u>    | <u>61,212,604</u>               | <u>58,172,711</u>    |
| Total Assets  | 17,379,135                     | 15,586,708           | 90,520,803                      | 82,651,947           | 107,899,938                     | 98,238,655           |
| Deferred Outflows                                   | <u>2,426,591</u>               | <u>412,293</u>       | <u>1,146,744</u>                | <u>193,661</u>       | <u>3,573,335</u>                | <u>605,954</u>       |
| Total assets and deferred outflows of resources     | <u>19,805,726</u>              | <u>15,999,001</u>    | <u>91,667,547</u>               | <u>82,845,608</u>    | <u>111,473,273</u>              | <u>98,844,609</u>    |
| Long-term debt outstanding                          | -                              | -                    | 16,400,000                      | 17,190,000           | 16,400,000                      | 17,190,000           |
| Other liabilities                                   | <u>4,483,886</u>               | <u>1,078,724</u>     | <u>5,034,964</u>                | <u>1,934,562</u>     | <u>9,518,850</u>                | <u>3,013,286</u>     |
| Total Liabilities                                   | 4,483,886                      | 1,078,724            | 21,434,964                      | 19,124,562           | 25,918,850                      | 20,203,286           |
| Deferred Inflows                                    | <u>52,063</u>                  | <u>1,103,468</u>     | <u>437,570</u>                  | <u>1,894,471</u>     | <u>489,633</u>                  | <u>2,997,939</u>     |
| Total liabilities and deferred inflows of resources | <u>4,535,949</u>               | <u>2,182,192</u>     | <u>21,872,534</u>               | <u>21,019,033</u>    | <u>26,408,483</u>               | <u>23,201,225</u>    |
| Net position (deficit):                             |                                |                      |                                 |                      |                                 |                      |
| Net investment in capital assets                    | 10,050,256                     | 10,195,637           | 34,762,348                      | 30,787,074           | 44,812,604                      | 40,982,711           |
| Restricted  | 36,410                         | 30,202               | 1,020,633                       | 1,731,648            | 1,057,043                       | 1,761,850            |
| Unrestricted  | <u>5,183,111</u>               | <u>3,590,970</u>     | <u>34,012,032</u>               | <u>29,307,853</u>    | <u>39,195,143</u>               | <u>32,898,823</u>    |
| Total net position                                  | <u>\$ 15,269,777</u>           | <u>\$ 13,816,809</u> | <u>\$ 69,795,013</u>            | <u>\$ 61,826,575</u> | <u>\$ 85,064,790</u>            | <u>\$ 75,643,384</u> |

A portion of the City's net position (1.2%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position \$39,195,143 may be used to meet the government's ongoing obligations to citizens and creditors.

As of September 30, 2023, the City is able to report positive balances in all three categories of net position.

City of Livingston, Texas  
Management's Discussion and Analysis (continued)  
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The governmental activities total assets increased by \$1,792,000. This increase was primarily related to increased cash balances and an increase in sales tax receivable. The long-term debt of the business type activities decreased by \$790,000 as the City continued amortizing their contract rights with the Trinity River Authority that were used to expand the City's water system.

**Analysis of the City's Operations** Overall the City had an increase in net position of \$9,421,406 primarily due to recoveries from the Cambridge project, an increase in interest income from investments and an increase in sales tax revenue.

### **Governmental Activities**

Governmental activities increased net position by \$1,452,968 primarily from transfers from the Electric, Water and Sewer Fund. Net position invested in capital assets, net of related debt decreased by \$145,381 or 1.4% as a result of depreciation exceeding the investment in equipment, buildings, and infrastructure during the year. Unrestricted net position increased by \$1,592,141 once again as a result of transfers from the Electric, Water and Sewer Fund.

Total revenues for governmental activities increased from the previous year by \$310,000. The primary increase was in sales tax revenues which increased \$296,000. Expenses increased by 19.3% and generally increased in all departments with the largest increase being in the police department due to increased salaries and benefits.

### **Business-Type Activities**

Net position from business-type activities increased by \$7,968,438 or 12.9% from \$61,826,575 in 2022 to \$69,795,013 in 2023. The increase was primarily due to continued strength in electric revenues with an increase of approximately \$1,100,000, and approximately \$7,481,000 in recoveries from the Cambridge Project (a separate wholesale power supply contract that allows the Sam Rayburn Municipal Power Agency to utilize excess capacity and make distributions of profit back to the participating cities), along with an increase in interest earnings from investments and grants received for sewer improvements.

The following table provides a summary of the City's operations for year ended September 30, 2023 with comparative totals for year ended September 30, 2022.

City of Livingston, Texas  
 Management's Discussion and Analysis (continued)  
 September 30, 2023

**Table 2**  
**City of Livingston's Changes in Net Position**

|   | Governmental Activities |                      | Business-Type Activities |                      | Total Primary Government |                      |
|---|-------------------------|----------------------|--------------------------|----------------------|--------------------------|----------------------|
|   | 2023                    | 2022                 | 2023                     | 2022                 | 2023                     | 2022                 |
| Revenues:   |                         |                      |                          |                      |                          |                      |
| Program Revenues:                                     |                         |                      |                          |                      |                          |                      |
| Charges for Services                                  | \$ 2,306,818            | \$ 2,288,744         | \$ 25,762,975            | \$ 24,286,269        | \$ 28,069,793            | \$ 26,575,013        |
| Capital Grants & Contributions                        | 14,250                  | -                    | 863,891                  | -                    | 878,141                  | -                    |
| Operating Grants & Contributions                      | 93,221                  | 91,630               | -                        | -                    | 93,221                   | 91,630               |
| General Revenues:                                     |                         |                      |                          |                      |                          |                      |
| Property tax  | -                       | -                    | -                        | -                    | -                        | -                    |
| Sales tax   | 5,505,516               | 5,209,435            | -                        | -                    | 5,505,516                | 5,209,435            |
| Franchise tax   | 161,274                 | 118,774              | -                        | -                    | 161,274                  | 118,774              |
| Hotel/Motel tax                                       | 350,045                 | 337,814              | -                        | -                    | 350,045                  | 337,814              |
| Investment earnings                                   | 29,694                  | 4,305                | 1,174,163                | 110,498              | 1,203,857                | 114,803              |
| Total Revenues  | <u>8,460,818</u>        | <u>8,050,702</u>     | <u>27,801,029</u>        | <u>24,396,767</u>    | <u>36,261,847</u>        | <u>32,447,469</u>    |
| Expenses:   |                         |                      |                          |                      |                          |                      |
| Administration  | 703,695                 | 624,095              | -                        | -                    | 703,695                  | 624,095              |
| Sanitation  | 1,093,109               | 971,774              | -                        | -                    | 1,093,109                | 971,774              |
| Fire  | 655,920                 | 662,911              | -                        | -                    | 655,920                  | 662,911              |
| Police  | 3,278,120               | 2,466,594            | -                        | -                    | 3,278,120                | 2,466,594            |
| Paving & Street                                       | 1,635,698               | 1,332,002            | -                        | -                    | 1,635,698                | 1,332,002            |
| Parks & Recreation                                    | 1,301,892               | 1,237,130            | -                        | -                    | 1,301,892                | 1,237,130            |
| Library   | 655,649                 | 550,599              | -                        | -                    | 655,649                  | 550,599              |
| Garage  | 442,837                 | 343,438              | -                        | -                    | 442,837                  | 343,438              |
| Interest on long-term debt                            | -                       | -                    | -                        | -                    | -                        | -                    |
| Electric, Water, and Sewer                            | -                       | -                    | <u>17,073,521</u>        | <u>14,777,779</u>    | <u>17,073,521</u>        | <u>14,777,779</u>    |
| Total Expenses  | <u>9,766,920</u>        | <u>8,188,543</u>     | <u>17,073,521</u>        | <u>14,777,779</u>    | <u>26,840,441</u>        | <u>22,966,322</u>    |
| Excess (deficiency) before transfers and Special item | (1,306,102)             | (137,841)            | 10,727,508               | 9,618,988            | 9,421,406                | 9,481,147            |
| Special item  | -                       | -                    | -                        | 3,652,149            | -                        | 3,652,149            |
| Transfers, net  | <u>2,759,070</u>        | <u>1,490,295</u>     | <u>(2,759,070)</u>       | <u>(1,490,295)</u>   | <u>-</u>                 | <u>-</u>             |
| Increase (decrease) in net position                   | 1,452,968               | 1,352,454            | 7,968,438                | 11,780,842           | 9,421,406                | 13,133,296           |
| Net position - October 1                              | <u>13,816,809</u>       | <u>12,464,355</u>    | <u>61,826,575</u>        | <u>50,045,733</u>    | <u>75,643,384</u>        | <u>62,510,088</u>    |
| Net position - September 30                           | <u>\$ 15,269,777</u>    | <u>\$ 13,816,809</u> | <u>\$ 69,795,013</u>     | <u>\$ 61,826,575</u> | <u>\$ 85,064,790</u>     | <u>\$ 75,643,384</u> |

## **Financial Analysis of the Government's Funds**

### **Governmental Funds**

The focus of the City of Livingston's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At the end of the current fiscal year, the City of Livingston's governmental fund reported an ending fund balance of \$6,931,351. Approximately 99.5% of the total amount (\$6,894,941) constitutes unassigned fund balance. The remainder of the fund balance is restricted to indicate that because of restrictions of external parties (creditors and contributors) it is not available for new spending because it has been restricted to pay for library (\$36,410) capital improvements.

The unassigned fund balance of the general fund increased by \$1,881,960 from the prior year. The increase was the result of transfers from the Electric, Water and Sewer fund along with increased sales tax revenue. The restricted fund balance of the general fund increased by \$6,208 from the prior year. The increase was due to contributions of library memorials during the year.

In the general fund, the City budgeted for an increase of approximately \$1,206,000 on a GAAP basis. Due to a deferral of certain street projects the actual results were approximately \$682,000 above what was budgeted.

### **Proprietary Fund**

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

Unrestricted net position of the proprietary fund was \$34,012,032. Total unrestricted net position increased in 2023 by \$4,704,179. As previously described, the increase compared to 2022 in the net position was primarily the result of electric recoveries from the Cambridge Project and additional interest earned on investments.

### **General Fund Budgetary Highlights**

The City made revisions to the original appropriations approved by the City Council. Overall these changes resulted in increased budgeted revenues of \$359,472 or 4.2%. The increase in budgeted revenues was primarily for an increase in sales tax revenues and an increase in fines and forfeitures. Budgeted expenditures were decreased by \$1,333,140 or 11.3%. The decrease in budgeted expenditures were primarily for decreased fire department equipment additions, a decrease in administrative expense for building demolitions, and reduced parks expenditures for airport gasoline due to pump repairs that lasted most of the year. The largest differences between budgeted amounts and actual results were sales tax revenues of the general fund were less than the budget by \$95,000 as a result of a slower than expected August and September results and fines and forfeitures were \$279,000 less due to reduced fines. The budgeted expenses for the paving and street department exceeded actual expenditures by \$1,188,000 due to certain budgeted street projects being deferred by the City due to weather delays.

City of Livingston, Texas  
 Management's Discussion and Analysis (continued)  
 September 30, 2023

## CAPITAL ASSET AND DEBT ADMINISTRATION

### Capital Assets

At the end of the fiscal year 2023, the City had \$61,212,604 (net of accumulated depreciation) invested in a broad range of capital assets, including police and fire equipment, buildings, park facilities, roads, bridges, electrical, water and sewer lines and water service contract rights. The total increase in the City's investment in capital assets for the current fiscal year was 5.2% (1.4% decrease for governmental activities and a 6.6% increase in business-type activities) (See Table 3).

**Table 3**  
**Capital Assets at Year-end**  
**(Net of Depreciation)**

|                            | Governmental Activities |                      | Business-Type Activities |                      | Totals               |                      | Totals |      |
|----------------------------|-------------------------|----------------------|--------------------------|----------------------|----------------------|----------------------|--------|------|
|                            | 2023                    | 2022                 | 2023                     | 2022                 | 2023                 | 2022                 | 2023   | 2022 |
| Land                       | \$ 476,004              | \$ 476,004           | \$ 694,222               | \$ 694,222           | \$ 1,170,226         | \$ 1,170,226         |        |      |
| Water Rights               | -                       | -                    | 16,400,000               | 17,190,000           | 16,400,000           | 17,190,000           |        |      |
| Buildings and improvements | 3,126,436               | 3,181,449            | 507,665                  | 348,132              | 3,634,101            | 3,529,581            |        |      |
| Equipment and fixtures     | 1,812,230               | 1,694,031            | 553,667                  | 642,293              | 2,365,897            | 2,336,324            |        |      |
| Paving, sidewalks and      | 3,476,896               | 3,840,765            | -                        | -                    | 3,476,896            | 3,840,765            |        |      |
| Parks developer            | 888,440                 | 922,643              | -                        | -                    | 888,440              | 922,643              |        |      |
| Airport                    |                         |                      |                          |                      |                      |                      |        |      |
| improvements               | 270,250                 | 80,745               | -                        | -                    | 270,250              | 80,745               |        |      |
| Utility systems            | -                       | -                    | 33,006,794               | 29,102,427           | 33,006,794           | 29,102,427           |        |      |
| Total                      | <u>\$ 10,050,256</u>    | <u>\$ 10,195,637</u> | <u>\$ 51,162,348</u>     | <u>\$ 47,977,074</u> | <u>\$ 61,212,604</u> | <u>\$ 58,172,711</u> |        |      |

This year's major additions included:

|   |                     |
|---|---------------------|
| Police vehicles                               | \$ 121,150          |
| Street improvements                           | 242,352             |
| Parks development                             | 390,576             |
| Electric, Water and Sewer System Improvements | 4,530,256           |
| Total   | <u>\$ 5,284,334</u> |

The City's fiscal year 2024 capital budget calls for it to spend another \$7,656,000 for capital projects, principally for fire equipment (\$733,000), police equipment (\$1,076,000), street improvements (\$1,130,000), parks improvements (\$1,372,000), garage vehicle and tools (\$78,000), and electric, water and sewer system improvements (\$3,053,000). Additional information on the City of Livingston's capital assets can be found in footnote 6 on pages 40-42 of this report.

City of Livingston, Texas  
Management's Discussion and Analysis (continued)  
September 30, 2023

**Debt**

At year-end, the City had no bonds outstanding. The City's continues to carry a triple A rating, the highest rating possible. This rating has been assigned to the City's tax-supported debt since 1970, by two national rating agencies. The City is permitted by Article XI, Section 5, of the State of Texas Constitution to levy taxes up to \$2.50 per \$100 of assessed valuation for general governmental services including the payment of principal and interest on general obligation long-term debt. The current ratio of tax-supported debt to assessed value of all taxable property is -0%. The City does not currently assess property taxes but meets any debt obligations through sales tax receipts and other general revenues along with electric, water and sewer revenues.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

The City's elected and appointed officials considered many factors when determining the projected revenues from various sources and expenditures for the fiscal year 2023-2024 budget. As always, the main responsibility is to manage public funds wisely while planning for long-term growth in the community. City officials have been conservative in projecting revenues and expenditures for the 2023-2024 budget due to the uncertainty of economic trends in the national and local economies.

The General Fund's largest revenue source continues to be sales tax receipts since the City has not levied an ad valorem tax since 1988. Currently, sales tax revenue accounts for approximately 15.18% of the City's total annual operating revenue. For the fiscal year ending September 30, 2023, we are happy to report that our sales tax revenue increased by 5.60%. The City also has in place an "Unassigned Fund Balance Policy" for the General Fund that calls for periodic transfers from the Enterprise Fund to the General Fund (franchise fees) in order to provide continued stability in its cash flow as seasonal shortfalls and unanticipated expenditures occur.

As for the City's business-type activities, fees for electric, water and sewer services account for about 71.05% of the City's total annual operating revenue. The beginning of fiscal 2024 has been very encouraging for the City. There has been an increase of new commercial activity which hopefully will produce additional sales tax revenue, development fees, utility service fees and employment opportunities.

The City strives to provide an effective, cost-efficient range of services which the citizens have come to expect. To do so, requires the administrative staff to be especially resourceful in developing new revenue sources to fund the expanded range of services. The City Council and management staff are committed to the general philosophy of "pay as you go". In general, the City provides services (general government, public safety, streets, parks and recreation, library and utilities) at a cost per capita that is comparable to or below other communities with similar demographic and economic characteristics. As the City moves forward into 2024, the City Council and management staff will continually reevaluate and revise, if necessary, the initiatives based upon the financial condition of the community.

**CONTACTING THE CITY'S FINANCIAL MANAGEMENT**

This financial report is designed to provide the citizens, taxpayers, customers, and investors and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the office of the City Manager at City of Livingston, 200 West Church Street, Livingston, Texas 77351-3281.

## **BASIC FINANCIAL STATEMENTS**

**CITY OF LIVINGSTON, TEXAS**  
**GOVERNMENT-WIDE STATEMENT OF NET POSITION**  
**SEPTEMBER 30, 2023**

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|   | <b>PRIMARY GOVERNMENT</b>      |                                 |                       |
|---|--------------------------------|---------------------------------|-----------------------|
|   | <b>Governmental Activities</b> | <b>Business-type Activities</b> | <b>Total</b>          |
| <b>ASSETS</b>   |                                |                                 |                       |
| Cash  | \$ 6,412,015                   | \$ 3,431,371                    | \$ 9,843,386          |
| Investments   | -                              | 32,828,133                      | 32,828,133            |
| Receivables:  |                                |                                 |                       |
| Returned checks receivable  | -                              | 3,598                           | 3,598                 |
| Paving accounts receivable  | 17,277                         | -                               | 17,277                |
| Taxes receivable  | 899,587                        | -                               | 899,587               |
| Utility accounts receivable   | -                              | 2,074,720                       | 2,074,720             |
| Restricted assets - cash  | -                              | 1,020,633                       | 1,020,633             |
| Capital assets (net of accumulated depreciation):                     |                                |                                 |                       |
| Land  | 476,004                        | 694,222                         | 1,170,226             |
| Buildings and improvements  | 3,126,436                      | 507,665                         | 3,634,101             |
| Equipment and fixtures  | 1,812,230                      | 553,667                         | 2,365,897             |
| Paving, sidewalks and streets   | 3,476,896                      | -                               | 3,476,896             |
| Parks development   | 888,440                        | -                               | 888,440               |
| Airport improvements  | 270,250                        | -                               | 270,250               |
| Electrical system   | -                              | 11,021,968                      | 11,021,968            |
| Water system  | -                              | 13,645,685                      | 13,645,685            |
| Sewer system  | -                              | 8,339,141                       | 8,339,141             |
| Water service contract rights   | -                              | 16,400,000                      | 16,400,000            |
| Total Assets  | <u>17,379,135</u>              | <u>90,520,803</u>               | <u>107,899,938</u>    |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>                                 |                                |                                 |                       |
| Amounts related to pensions and other post<br>postemployment benefits |                                |                                 |                       |
| Contributions after December 31, 2022                                 | 439,062                        | 185,043                         | 624,105               |
| Difference in experience  | <u>1,987,529</u>               | <u>961,701</u>                  | <u>2,949,230</u>      |
| Total Deferred Outflows of Resources                                  | <u>2,426,591</u>               | <u>1,146,744</u>                | <u>3,573,335</u>      |
| Combined Assets and Deferred Outflows of<br>Resources                 | <u>\$ 19,805,726</u>           | <u>\$ 91,667,547</u>            | <u>\$ 111,473,273</u> |

See accompanying notes to financial statements

**CITY OF LIVINGSTON, TEXAS**  
**GOVERNMENT-WIDE STATEMENT OF NET POSITION**  
**SEPTEMBER 30, 2023**

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|  | <b>PRIMARY GOVERNMENT</b>      |                                 |                      |
|--|--------------------------------|---------------------------------|----------------------|
|  | <b>Governmental Activities</b> | <b>Business-type Activities</b> | <b>Total</b>         |
| <b><u>LIABILITIES</u></b>                              |                                |                                 |                      |
| Accounts payable                                       | \$ 397,528                     | \$ 2,464,336                    | \$ 2,861,864         |
| Meter deposits   | -                              | 708,604                         | 708,604              |
| Contracts payable-due within one year                  | -                              | 810,000                         | 810,000              |
| Noncurrent Liabilities Due in More Than One Year:      |                                |                                 |                      |
| Net pension liability                                  | 3,848,210                      | 1,862,024                       | 5,710,234            |
| Other post employment benefit liability                | 238,148                        | -                               | 238,148              |
| Contracts payable                                      | -                              | <u>15,590,000</u>               | <u>15,590,000</u>    |
| Total Liabilities                                      | <u>4,483,886</u>               | <u>21,434,964</u>               | <u>25,918,850</u>    |
| <b><u>DEFERRED INFLOWS OF RESOURCES</u></b>            |                                |                                 |                      |
| Amounts related to other post employment benefits      |                                |                                 |                      |
| Difference in assumptions                              | 52,063                         | -                               | 52,063               |
| Amounts related to grants                              | -                              | <u>437,570</u>                  | <u>437,570</u>       |
| Total Deferred Inflows of Resources                    | <u>52,063</u>                  | <u>437,570</u>                  | <u>489,633</u>       |
| Combined Liabilities and Deferred Inflows of Resources | <u>4,535,949</u>               | <u>21,872,534</u>               | <u>26,408,483</u>    |
| <b><u>NET POSITION</u></b>                             |                                |                                 |                      |
| Net investment in capital assets                       | 10,050,256                     | 34,762,348                      | 44,812,604           |
| Restricted for:  |                                |                                 |                      |
| System improvements                                    | -                              | 500,844                         | 500,844              |
| Library Memorials                                      | 36,410                         | -                               | 36,410               |
| Debt service   | -                              | 519,789                         | 519,789              |
| Unrestricted   | <u>5,183,111</u>               | <u>34,012,032</u>               | <u>39,195,143</u>    |
| Total Net Position                                     | <u>\$ 15,269,777</u>           | <u>\$ 69,795,013</u>            | <u>\$ 85,064,790</u> |

See accompanying notes to financial statements

**CITY OF LIVINGSTON, TEXAS**  
**GOVERNMENT-WIDE STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2023**

| <u>FUNCTIONS/PROGRAMS</u>            | <u>Expenses</u>      | <u>Program Revenues</u>     |   |                  | <u>Operating Grants and Contributions</u> |
|--------------------------------------|----------------------|-----------------------------|---|------------------|---|
|                                      |                      | <u>Charges for Services</u> | <u>Capital Grants and Contributions</u> |                  |   |
| Governmental activities:             |                      |                             |   |                  |   |
| Administrative                       | \$ 703,695           | \$ 225,022                  | \$ -                                    | 20,028           |   |
| Sanitation                           | 1,093,109            | 1,417,853                   | -                                       | -                |   |
| Fire                                 | 655,920              | -                           | -                                       | 46,398           |   |
| Police                               | 3,278,120            | 499,764                     | -                                       | 26,795           |   |
| Paving and street                    | 1,635,698            | 14,186                      | -                                       | -                |   |
| Parks and recreation                 | 1,301,892            | 128,316                     | -                                       | -                |   |
| Library                              | 655,649              | 21,677                      | 14,250                                  | -                |   |
| Garage                               | 442,837              | -                           | -                                       | -                |   |
| Total governmental activities        | <u>9,766,920</u>     | <u>2,306,818</u>            | <u>14,250</u>                           | <u>93,221</u>    |   |
| Business-type activities:            |                      |                             |   |                  |   |
| Electric, water and sewer            | <u>17,073,521</u>    | <u>25,762,975</u>           | <u>863,891</u>                          | <u>-</u>         |   |
| Total business-type activities       | <u>17,073,521</u>    | <u>25,762,975</u>           | <u>863,891</u>                          | <u>-</u>         |   |
| Total primary government             | <u>\$ 26,840,441</u> | <u>\$ 28,069,793</u>        | <u>\$ 878,141</u>                       | <u>\$ 93,221</u> |   |
| General revenues:                    |                      |                             |   |                  |   |
| Taxes                                |                      |                             |   |                  |   |
| Sales taxes                          |                      |                             |   |                  |   |
| Franchise taxes                      |                      |                             |   |                  |   |
| Hotel/Motel taxes                    |                      |                             |   |                  |   |
| Unrestricted investment earnings     |                      |                             |   |                  |   |
| Transfers                            |                      |                             |   |                  |   |
| Total general revenues and transfers |                      |                             |   |                  |   |
| Change in net position               |                      |                             |   |                  |   |
| Net position-beginning               |                      |                             |   |                  |   |
| Net position-ending                  |                      |                             |   |                  |   |

See accompanying notes to financial statements

**Net (Expense) Revenue and Changes in Net Position**

| <b>Governmental Activities</b> | <b>Business-Type Activities</b> | <b>Total</b>         |
|--------------------------------|---------------------------------|----------------------|
| \$ (458,645)                   | \$ -                            | \$ (458,645)         |
| 324,744                        | -                               | 324,744              |
| (609,522)                      | -                               | (609,522)            |
| (2,751,561)                    | -                               | (2,751,561)          |
| (1,621,512)                    | -                               | (1,621,512)          |
| (1,173,576)                    | -                               | (1,173,576)          |
| (619,722)                      | -                               | (619,722)            |
| (442,837)                      | -                               | (442,837)            |
| <u>(7,352,631)</u>             | <u>-</u>                        | <u>(7,352,631)</u>   |
| <br>                           | <br>                            | <br>                 |
| <u>-</u>                       | <u>9,553,345</u>                | <u>9,553,345</u>     |
| <u>-</u>                       | <u>9,553,345</u>                | <u>9,553,345</u>     |
| <br>                           | <br>                            | <br>                 |
| <u>(7,352,631)</u>             | <u>9,553,345</u>                | <u>2,200,714</u>     |
| <br>                           | <br>                            | <br>                 |
| 5,505,516                      | -                               | 5,505,516            |
| 161,274                        | -                               | 161,274              |
| 350,045                        | -                               | 350,045              |
| 29,694                         | 1,174,163                       | 1,203,857            |
| <u>2,759,070</u>               | <u>(2,759,070)</u>              | <u>-</u>             |
| <u>8,805,599</u>               | <u>(1,584,907)</u>              | <u>7,220,692</u>     |
| <u>1,452,968</u>               | <u>7,968,438</u>                | <u>9,421,406</u>     |
| <u>13,816,809</u>              | <u>61,826,575</u>               | <u>75,643,384</u>    |
| <u>\$ 15,269,777</u>           | <u>\$ 69,795,013</u>            | <u>\$ 85,064,790</u> |

See accompanying notes to financial statements

**CITY OF LIVINGSTON, TEXAS**  
**GOVERNMENTAL FUND**  
**BALANCE SHEET**  
**SEPTEMBER 30, 2023**

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|  | <b>General</b>          |
|--|-------------------------|
| <b><u>ASSETS</u></b>   |                         |
| Cash   | \$ 6,412,015            |
| Receivables:   |                         |
| Paving accounts receivable   | 17,277                  |
| Taxes receivable   | <u>899,587</u>          |
| <br>Total Assets   | <br><u>\$ 7,328,879</u> |
| <b><u>LIABILITIES</u></b>  |                         |
| Accounts payable   | \$ 397,528              |
| <br>Total Liabilities  | <br><u>397,528</u>      |
| <b><u>FUND BALANCES</u></b>  |                         |
| Restricted for:  |                         |
| Library Memorials  | 36,410                  |
| Unassigned   | <u>6,894,941</u>        |
| <br>Total Fund Balances  | <br><u>6,931,351</u>    |
| <br>Total Liabilities and Fund Balances  | <br><u>\$ 7,328,879</u> |
| Amounts reported for governmental activities in the statement of net position are different because:   |                         |
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds                                       |                         |
| Deferred outflows of resources related to pensions for contributions after the plan's year end and actual compared to projected investment and plan experience |                         |
| Net pension liability  |                         |
| Net other post employment benefits   |                         |
| Deferred inflows of resources related to other post employment benefits for difference in plan experience, investment returns, and assumptions                 |                         |
| Net position of governmental activities  |                         |

See accompanying notes to financial statements

**Total  
Governmental  
Fund**

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\$ 6,412,015

17,277  
899,587

\$ 7,328,879

\$ 397,528

397,528

36,410  
6,894,941

6,931,351

10,050,256

2,426,591

(3,848,210)  
(238,148)

(52,063)

\$ 15,269,777

See accompanying notes to financial statements

**CITY OF LIVINGSTON, TEXAS**  
**GOVERNMENTAL FUND**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2023**

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|                                       | <b>General</b>      | <b>Total<br/>Governmental<br/>Fund</b> |
|---------------------------------------|---------------------|--|
| <b>REVENUES</b>                       |                     |  |
| Taxes:                                |                     |  |
| Sales taxes                           | \$ 5,505,516        | \$ 5,505,516                           |
| Franchise taxes                       | 161,274             | 161,274                                |
| Hotel/Motel taxes                     | 350,045             | 350,045                                |
| Licenses and permits                  | 162,304             | 162,304                                |
| Charges for service                   | 1,601,841           | 1,601,841                              |
| Fines and forfeitures                 | 499,035             | 499,035                                |
| Miscellaneous                         | 181,391             | 181,391                                |
| Total Revenues                        | <u>8,461,406</u>    | <u>8,461,406</u>                       |
| <b>EXPENDITURES</b>                   |                     |  |
| Current:                              |                     |  |
| Administrative                        | 673,949             | 673,949                                |
| Sanitation                            | 1,092,989           | 1,092,989                              |
| Fire                                  | 636,349             | 636,349                                |
| Police                                | 3,245,238           | 3,245,238                              |
| Paving and street                     | 1,193,576           | 1,193,576                              |
| Parks and recreation                  | 1,522,916           | 1,522,916                              |
| Library                               | 543,942             | 543,942                                |
| Garage                                | <u>423,349</u>      | <u>423,349</u>                         |
| Total Expenditures                    | <u>9,332,308</u>    | <u>9,332,308</u>                       |
| Excess of revenues under expenditures | <u>(870,902)</u>    | <u>(870,902)</u>                       |
| <b>OTHER FINANCING SOURCES (USES)</b> |                     |  |
| Transfers in                          | 2,759,070           | 2,759,070                              |
| Total other financing sources         | <u>2,759,070</u>    | <u>2,759,070</u>                       |
| Net change in fund balances           | 1,888,168           | 1,888,168                              |
| Fund Balances - beginning             | <u>5,043,183</u>    | <u>5,043,183</u>                       |
| Fund Balances - ending                | <u>\$ 6,931,351</u> | <u>\$ 6,931,351</u>                    |

See accompanying notes to financial statements

**CITY OF LIVINGSTON, TEXAS**  
**RECONCILIATION OF THE STATEMENT OF REVENUES,**  
**EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUND**  
**TO THE STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2023**

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

|   |                     |
|---|---------------------|
| Net changes in fund balances - total governmental fund  | \$ 1,888,168        |
| Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period. | (145,381)           |
| Change in the net pension liability reported as an increase in pension expense in the statement of activities   | (290,182)           |
| Change in the net other post employment benefits reported as a decrease in employee insurance expense in the statement of activities  | <u>363</u>          |
| Changes in net position of governmental activities  | <u>\$ 1,452,968</u> |

**CITY OF LIVINGSTON, TEXAS**  
**GENERAL FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET (GAAP BASIS) AND ACTUAL**  
**YEAR ENDED SEPTEMBER 30, 2023**

|   | <b>Budgeted Amounts GAAP Basis</b> |                     |                     |
|---|------------------------------------|---------------------|---------------------|
|   | <b>Original</b>                    | <b>Revisions</b>    | <b>Final</b>        |
| <b>REVENUES</b>   |                                    |                     |                     |
| Taxes:  |                                    |                     |                     |
| Sales taxes   | \$ 5,473,000                       | \$ 127,394          | \$ 5,600,394        |
| Franchise taxes   | 152,000                            | -                   | 152,000             |
| Hotel/Motel taxes   | 367,500                            | (22,500)            | 345,000             |
| Licenses and permits  | 183,000                            | (3,215)             | 179,785             |
| Charges for service   | 1,644,500                          | (15,670)            | 1,628,830           |
| Fines and forfeitures   | 533,000                            | 244,727             | 777,727             |
| Miscellaneous   | 128,100                            | 29,006              | 157,106             |
| Total Revenues  | <u>8,481,100</u>                   | <u>359,742</u>      | <u>8,840,842</u>    |
| <b>EXPENDITURES</b>   |                                    |                     |                     |
| Current:  |                                    |                     |                     |
| Administrative  | 844,000                            | (222,780)           | 621,220             |
| Sanitation  | 963,000                            | (55,000)            | 908,000             |
| Fire  | 1,477,800                          | (764,676)           | 713,124             |
| Police  | 3,275,000                          | 183,588             | 3,458,588           |
| Paving and street   | 2,435,000                          | (53,692)            | 2,381,308           |
| Parks and recreation  | 1,710,500                          | (257,322)           | 1,453,178           |
| Library   | 526,000                            | 13,355              | 539,355             |
| Garage  | 590,500                            | (176,613)           | 413,887             |
| Total Expenditures  | <u>11,821,800</u>                  | <u>(1,333,140)</u>  | <u>10,488,660</u>   |
| Deficiency of revenues (over) under expenditures                                | <u>(3,340,700)</u>                 | <u>1,692,882</u>    | <u>(1,647,818)</u>  |
| <b>OTHER FINANCING SOURCES (USES)</b>   |                                    |                     |                     |
| Transfers in  | 2,486,700                          | 367,500             | 2,854,200           |
| Total other financing sources (uses)  | <u>2,486,700</u>                   | <u>367,500</u>      | <u>2,854,200</u>    |
| Excess of revenues and other financing sources over expenditures and other uses | <u>\$ (854,000)</u>                | <u>\$ 2,060,382</u> | <u>\$ 1,206,382</u> |
| Fund balance at beginning of year   |                                    |                     |                     |
| Fund balance at end of year   |                                    |                     |                     |

See accompanying notes to financial statements

| <u>Actual</u>             | <b>Variance<br/>with Final<br/>Budget<br/>Positive<br/>(Negative)</b> |
|---------------------------|---|
| \$ 5,505,516              | \$ (94,878)   |
| 161,274                   | 9,274   |
| 350,045                   | 5,045   |
| 162,304                   | (17,481)  |
| 1,601,841                 | (26,989)  |
| 499,035                   | (278,692)   |
| 181,391                   | 24,285  |
| <u>8,461,406</u>          | <u>(379,436)</u>  |
|                           |   |
| 673,949                   | (52,729)  |
| 1,092,989                 | (184,989)   |
| 636,349                   | 76,775  |
| 3,245,238                 | 213,350   |
| 1,193,576                 | 1,187,732   |
| 1,522,916                 | (69,738)  |
| 543,942                   | (4,587)   |
| 423,349                   | (9,462)   |
| <u>9,332,308</u>          | <u>1,156,352</u>  |
| <u>(870,902)</u>          | <u>776,916</u>  |
|                           |   |
| 2,759,070                 | (95,130)  |
| <u>2,759,070</u>          | <u>(95,130)</u>   |
|                           |   |
| 1,888,168                 | <u>\$ 681,786</u>   |
| <u>5,043,183</u>          |   |
| <u><b>§ 6,931,351</b></u> |   |

See accompanying notes to financial statements

**CITY OF LIVINGSTON, TEXAS**  
**STATEMENT OF NET POSITION PROPRIETARY FUNDS**  
**SEPTEMBER 30, 2023**

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**Business-Type Activities - Enterprise Fund**

|   | <b>Electric<br/>Water and<br/>Sewer</b> |
|---|---|
| <b>ASSETS</b>                                     |   |
| Current assets:                                   |   |
| Cash  | \$ 3,431,371                            |
| Investments                                       | 32,828,133                              |
| Restricted assets                                 |   |
| Cash in bank, water and sewer system improvements | 500,844                                 |
| Cash in bank, reserve fund                        | 519,789                                 |
| Receivables:                                      |   |
| Returned checks receivable                        | 3,598                                   |
| Utility accounts receivable                       | <u>2,074,720</u>                        |
| Total current assets                              | <u>39,358,455</u>                       |
| Noncurrent assets:                                |   |
| Capital assets:                                   |   |
| Land  | 694,222                                 |
| Building and improvements                         | 810,448                                 |
| Equipment and fixtures                            | 3,337,031                               |
| Electrical system                                 | 13,584,632                              |
| Water system                                      | 17,836,570                              |
| Sewer system                                      | 12,426,937                              |
| Water service contract rights                     | <u>16,400,000</u>                       |
| Less accumulated depreciation                     | <u>(13,927,492)</u>                     |
| Net capital assets                                | <u>51,162,348</u>                       |
| Total Assets                                      | <u>90,520,803</u>                       |
| Deferred outflows of resources:                   |   |
| Amounts related to pensions                       |   |
| Contributions after December 31, 2022             | 185,043                                 |
| Difference in experience                          | <u>961,701</u>                          |
| Total Deferred Outflows of Resources              | <u>1,146,744</u>                        |
| Total Assets and Deferred Outflows of Resources   | <u>\$ 91,667,547</u>                    |

See accompanying notes to financial statements

**CITY OF LIVINGSTON, TEXAS**  
**STATEMENT OF NET POSITION PROPRIETARY FUNDS**  
**SEPTEMBER 30, 2023**

---

**Business-Type Activities - Enterprise Fund**

|  | <b>Electric<br/>Water and<br/>Sewer</b> |
|--|---|
| <b>LIABILITIES</b>                                       |   |
| Current liabilities:                                     |   |
| Accounts payable   | \$ 2,464,336                            |
| Meter deposits   | 708,604                                 |
| Contracts payable  | 810,000                                 |
| Total current liabilities                                | <u>3,982,940</u>                        |
| Noncurrent liabilities due in more than one year:        |   |
| Net pension liability                                    | 1,862,024                               |
| Contracts payable  | <u>15,590,000</u>                       |
| Total noncurrent liabilities                             | <u>17,452,024</u>                       |
|  | <br>                                    |
| Total liabilities  | <u>21,434,964</u>                       |
| Deferred inflows of resources:                           |   |
| Amounts related to pensions                              | 437,570                                 |
| Amounts related to grants                                | <u>437,570</u>                          |
|  | <br>                                    |
| Total Deferred Inflows of Resources                      | <u>437,570</u>                          |
|  | <br>                                    |
| Total Liabilities and Deferred Inflows of Resources      | <u>21,872,534</u>                       |
| <b>NET POSITION</b>                                      |   |
| Net investment in capital assets                         | 34,762,348                              |
| Restricted for water and sewer system improvements       | 500,844                                 |
| Restricted for Trinity River Authority contracts payable | 519,789                                 |
| Unrestricted   | <u>34,012,032</u>                       |
|  | <br>                                    |
| Total Net Position                                       | <u>\$ 69,795,013</u>                    |

See accompanying notes to financial statements

**CITY OF LIVINGSTON, TEXAS**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION**  
**PROPRIETARY FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2023**

---

**Business-Type Activities - Enterprise Fund**

**Electric  
Water and  
Sewer**

**Operating revenues**

Charges for sales and services:

|                          | <b>Electric<br/>Water and<br/>Sewer</b> |
|--------------------------|---|
| Electricity sales        | \$ 11,787,552                           |
| Water sales              | 3,471,768                               |
| Sewer service charges    | 2,534,631                               |
| Penalties, utilities     | 181,863                                 |
| Water tapping fees       | 14,813                                  |
| Sewer tapping fees       | 8,000                                   |
| Recoveries, electrical   | 7,480,982                               |
| Recoveries, water        | 116,570                                 |
| Grants                   | 863,891                                 |
| Revenue, night lights    | 96,255                                  |
| Service fees             | 70,541                                  |
| Total Operating Revenues | <u>26,626,866</u>                       |

**Operating expenses**

|                            |                   |
|----------------------------|-------------------|
| Light and Power Department | 9,819,268         |
| Water Department           | 5,360,969         |
| Sewer Department           | 1,080,900         |
| Depreciation               | 812,384           |
| Total Operating Expenses   | <u>17,073,521</u> |

Operating Income 9,553,345

**Non-operating revenues:**

Interest income 1,174,163

Income Before Transfers and Special Item 10,727,508

Transfers Out (2,759,070)

Change in net position 7,968,438

Total net position - beginning 61,826,575

Total net position - ending \$ 69,795,013

**CITY OF LIVINGSTON, TEXAS**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2023**

---

| <b>Business-Type Activities - Enterprise Fund</b>          |   |
|--|---|
|  | <b>Electric<br/>Water and<br/>Sewer</b> |
| Cash flows from operating activities:                      |   |
| Cash received from customers                               | \$ 26,602,454                           |
| Cash payments to suppliers for goods and services          | (13,998,936)                            |
| Cash payments to employees for services                    | <u>(1,631,111)</u>                      |
| Net cash provided by operating activities                  | <u>10,972,407</u>                       |
| Cash flows from noncapital financing activities:           |   |
| Transfers to other funds                                   | <u>(2,759,070)</u>                      |
| Net cash used by noncapital financing activities           | <u>(2,759,070)</u>                      |
| Cash flows from capital and related financing activities:  |   |
| Acquisition of capital assets                              | <u>(4,787,658)</u>                      |
| Net cash used for capital and related financing activities | <u>(4,787,658)</u>                      |
| Cash flows from investing activities:                      |   |
| Sale of certificate of deposit                             | 5,000,000                               |
| Purchase of investments                                    | (12,696,653)                            |
| Interest on cash and investments                           | <u>1,174,163</u>                        |
| Net cash used by investing activities                      | <u>(6,522,490)</u>                      |
| Net Change in Cash and Cash Equivalents                    | <u>(3,096,811)</u>                      |
| Cash and Cash Equivalents at Beginning of Year             | <u>7,548,815</u>                        |
| Cash and Cash Equivalents at End of Year                   | <u>\$ 4,452,004</u>                     |

(Continued)

**CITY OF LIVINGSTON, TEXAS**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2023**

---

**Business-Type Activities - Enterprise Fund**

**Electric  
Water and  
Sewer**

---

Reconciliation of income from operations to net cash provided by operating activities:

|   |                   |
|---|-------------------|
| Income from operations  | \$ 9,553,345      |
| Adjustments to reconcile operating net income to net cash provided by operating activities: |                   |
| Depreciation  | 812,384           |
| Change in operating assets and liabilities:   |                   |
| Returned checks receivable  | 23,144            |
| Utility accounts receivable   | (106,884)         |
| Deferred outflows   | (953,083)         |
| Accounts payable  | 1,393,778         |
| Meter deposits  | 59,329            |
| Net pension liability   | 1,647,295         |
| Deferred inflows  | (1,456,901)       |
| <br>Total adjustments   | <br>1,419,062     |
| <br>Net cash provided by operating activities   | <br>\$ 10,972,407 |

Reconciliation of total cash and cash investments:

|   |                  |
|---|------------------|
| Unrestricted                                      | \$ 3,431,371     |
| Restricted  |                  |
| Cash in bank, water and sewer system improvements | 500,844          |
| Cash in bank, reserve fund                        | 519,789          |
| <br>Total cash and cash equivalents               | <br>\$ 4,452,004 |

(Concluded)

## **NOTES TO THE BASIC FINANCIAL STATEMENTS**

**CITY OF LIVINGSTON, TEXAS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2023**

The accounting and reporting policies of the City relating to the funds included in the accompanying basic financial statements conform to accounting principles generally accepted in the United States of America applicable to state and local governments. Generally accepted accounting principles (GAAP) for local governments are those principles prescribed by the Governmental Accounting Standards Board (GASB), which is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The following notes are organized to provide explanations, including required disclosures, of the City's financial activities for the fiscal year ended September 30, 2023.

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:**

Financial Reporting Entity

The City's basic financial statements include the accounts of all City operations. The criteria for including organizations as component units within the City's reporting entity as set forth in Section 2100 of GASB's Codification of Governmental Accounting and Financial Reporting Standards include whether: the organization is legally separate (can sue and be sued in their own name); the City holds the corporate powers of the organization; the City appoints a voting majority of the organization's board; the City is able to impose its will on the organization; the organization has the potential to impose a financial benefit/burden on the City; or there is fiscal dependency by the organization on the City. Based upon the application of these criteria, no other agencies or authorities are included in the financial statements of the City.

Basis of Presentation

The government-wide financial statements (the statement of net position and the statement of changes in net position) report information on all the activities of the City. The effect of interfund activity, within the governmental and business-type activities columns has been removed from these statements. Government activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)**Fund Financial Statements

The City segregates transactions related to certain functions or activities in separate funds to aid financial management and to demonstrate legal compliance. Separate statements are presented for governmental and proprietary activities. These statements present each major fund as a separate column on the fund financial statements.

Governmental funds are those funds through which most governmental functions typically are financed. The measurement focus of governmental funds is on the sources, uses, and balance of current financial resources. The City has presented the following major governmental fund:

General Fund - The General Fund is the main operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund. All general tax revenues and other receipts that are not restricted by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures, fixed charges and capital improvement costs that are not paid through other funds are paid from the General Fund.

Proprietary funds are accounted for using the economic resources measurement focus and the accrual basis of accounting. The accounting objectives are determinations of net income, financial position, and cash flow. All assets and liabilities are included on the Statement of Net Position. The City has presented the following proprietary fund:

Electric, Water and Sewer Fund - The Electric, Water and Sewer Fund is used to account for the provision of electricity, water, and sewer services to the residents of the City. Activities of the fund include administration, operations, and maintenance of the electric, water and sewer system and billing and collection activities. All costs are financed through charges to utility customers with rates reviewed regularly and adjusted if necessary, to ensure integrity of the fund.

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. Operating expenses for the proprietary funds include the cost of personnel and contractual services, supplies and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Measurement Focus/Basis of Accounting

Measurement focus refers to what is being measured; basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

The government-wide statements and fund financial statements for the proprietary fund are reported using the economic resources measurement focus and the accrual basis of accounting. The economic resources measurement focus means all assets and liabilities (whether current or non-current) are included on the statement of net position and the operating statements present increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized when earned, including unbilled electric, water, and sewer services which are accrued. Expenses are recognized at the time the liability is incurred.

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)**

Governmental fund financial statements are reported using the current financial resources measurement focus and are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual, i.e., when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The City considers property taxes (which are currently not assessed by the City) as available if they are collected within 60 days after year end. A 60-day availability period is used for recognition of all other governmental fund revenues, as well. Expenditures are recorded when the related fund liability is incurred. However, debt service expenditures are recorded only when payment is due.

The revenues susceptible to accrual are property taxes, franchise fees, licenses, charges for service, and interest income. Sales taxes collected and held by the state at year end on behalf of the City are also recognized as revenue. All other governmental fund revenues are recognized when received.

**Capital Assets**

Capital assets, which include property, plant, equipment, infrastructure assets, and certain intangible assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and in the fund financial statements of the proprietary fund. All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated assets are valued at their acquisition value on the date donated. Repairs and maintenance are recorded as expenses. Renewal and betterments are capitalized. Interest has not been capitalized during the construction period on property, plant, and equipment.

Assets capitalized, not including infrastructure assets, have an original cost of \$1,000 or more and over three years of useful life. Infrastructure assets capitalized have an original cost of \$5,000 or more. Depreciation has been calculated on each class of depreciable property using the straight-line method. The estimated useful lives are as follows:

|                         |             |
|-------------------------|-------------|
| Buildings               | 20-50 years |
| Utility plant           | 67 years    |
| Machinery and Equipment | 5-15 years  |
| Infrastructure          | 20-35 years |
| Improvements            | 20 years    |

GAAP requires the City to report and depreciate infrastructure assets which include roads, bridges, underground pipe (other than related to utilities), traffic signals, etc. These infrastructure assets are one of the largest asset classes of the City.

**NOTE 1    SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)**

Budgetary Control

A separate legally adopted budget is prepared for all governmental and proprietary funds for the City that demonstrates legal compliance at the legal level of budgetary control.

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

- (1) The proposed operating budget for the upcoming fiscal year beginning October 1 is submitted to the City Council by no later than September 1 of the current fiscal year. The operating budget includes proposed expenditures and the means of financing them for the upcoming year, along with estimates for the current year and actual data for the preceding year. The budget is submitted in summary form with more detailed line item budgets included for administrative control. The level of control for the detailed budgets is at the department head/function level.
- (2) A public hearing is conducted for comments regarding the proposed budget.
- (3) Prior to September 30, the budget is legally enacted through passage of an ordinance.
- (4) Budgetary control is maintained on an on-going basis for all City budgeted funds, including General, and Electric, Water and Sewer Funds.
- (5) Budgets for the General, and Electric, Water and Sewer Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP).
- (6) Budgeted amounts are subject to revision in September of each year by the City Council. Amounts provided in budget comparisons in the financial statements are as originally adopted or as legally amended during the year, except for amendments of \$5,000 or less. The City Manager may amend the budget within and among departments; however, any revisions that alter the total departmental expenditures/expenses by more than \$5,000 must be approved by the City Council.

The budget was amended September 1, 2023 to reflect additional appropriations approved during the year by the City Council. Certain individual amendments were material in relation to the original appropriations which were amended.

The Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual – General Fund presents a comparison of budgetary data to actual results.

Investments

The City invests in certain money market funds that are presented at fair value and in an external investment pool whose assets are valued at amortized cost. The external investment pool is presented at net asset value.

**NOTE 1    SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)**

Nature and Purposes of Restrictions of Fund Balance

The City, by bond indenture or terms of grant agreements, has funds that can be used only for various capital projects or are required to be set aside to meet bond obligations. In addition, certain funds are restricted by donors to be used for library memorials. These amounts are presented as restricted fund balances in the governmental fund and the proprietary fund. It is the City's policy to utilize restricted fund balances first when an expense is incurred for purposes for which both restricted and unrestricted fund balances are available.

Pensions and Other Postemployment Benefits

For purposes of measuring the net pension liability and the total liability for other postemployment benefits (OPEB), deferred outflows and inflows of resources related to pensions and OPEB, and pension and death benefit expense, information about the Fiduciary Net Position of the Texas Municipal Retirement System (TMRS) and additions to/deductions from TMRS's Fiduciary Net Position have been determined on the same basis as they are reported by TMRS. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with benefit terms. TMRS investments are reported at fair value.

Net Position

Net position represents the difference between assets and liabilities. Net position invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvements of those assets, and adding back any unspent proceeds. Net position is reported as restricted when there are limitations imposed on their use either through enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

Property Tax Revenues

Property taxes are levied on October 1 based on the assessed value of property as listed on the previous January 1. Assessed values approximate market value. A revaluation of all real property must be made every year. The last revaluation date was January 1, 2023.

Property taxes are recognized as revenue when they are levied because they are considered to be both measurable and available. Proper allowances are made for estimated uncollectible accounts and delinquent accounts.

Due to increased sales tax revenues, property tax assessments were discontinued for fiscal years after September 30, 1988. (See Note 4).

Compensated Absences

City employees are entitled to certain compensated absences based on their length of employment. With minor exceptions, compensated absences do not vest or accumulate and are recorded as expenditures when they are paid.

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)**Statement of Cash Flows

For purposes of the Statement of Cash Flows, the Electric, Water and Sewer Fund considers all cash and certificates of deposit (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents. It is the City's policy to not report short-term highly liquid investments as cash equivalents.

Interfund Transactions

Interfund transactions are treated as follows:

Transactions that would be treated as revenues, expenditures, or expenses if they involved organizations external to the City are similarly treated when involving funds of the City. The City did not have any transactions that fell into this category.

Transfers from funds receiving revenues to funds through which the resources are to be expended are classified as transfers. Major transactions that fall into this category include transfers to the General Fund from the Electric, Water and Sewer Fund.

Transfers In and Out

The following is a summary of interfund transfers for the year ended September 30, 2023:

| <u>Fund</u>                    | <u>Transfer In</u>  | <u>Transfer Out</u> |
|--------------------------------|---------------------|---------------------|
| General Fund                   | \$ 2,759,070        | \$ -                |
| Electric, Water and Sewer Fund | <u>-</u>            | <u>2,759,070</u>    |
| Total                          | <u>\$ 2,759,070</u> | <u>\$ 2,759,070</u> |

Transfers were made from the Electric, Water and Sewer Fund to the General Fund to compensate for general revenue shortfalls.

**NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY:**Custodial Credit Risk - Deposits

State statutes require that the City's deposits be collateralized by securities held in the name of the City by the trust department of a bank that does not hold the collateralized deposits. The City remained in compliance with this requirement during the year.

**NOTE 3 DEPOSITS AND INVESTMENTS:**

Investments at September 30, 2023 and 2022 include certificates of deposit, money market funds, and a fixed income external investment pool. Investments are reported at fair value except for the external investment pool, which is reported at net asset value. There are no withdrawal constraints on any of the investments.

The City categorizes its fair value measurements within the fair value hierarchy as established by generally accepted accounting principles. These principles recognize a three-tiered fair value hierarchy as follows:

Level 1: Investments with values based on quoted prices (unadjusted) for identical assets in active markets at the measurement date. Money market funds are valued using quoted prices.

Level 2: Investments with inputs – other than quoted prices included within Level 1- that are observable for an asset, either directly or indirectly.

Level 3: Investments with unobservable inputs for an asset that may require a degree of professional judgment.

As of September 30, 2023 and 2022, the City had the following investments:

September 30, 2023

| Investment Type                       | Cost                 | Fair Value           | Level | Weighted Average Maturity (Years) |
|---------------------------------------|----------------------|----------------------|-------|-----------------------------------|
| Vanguard Federated Money Market Funds | \$ 15,883,690        | \$ 15,883,690        | 1     | N/A                               |
| Total Fair Value                      | <u>\$ 15,883,690</u> | <u>\$ 15,883,690</u> |       |                                   |

Investments measured at net asset value (NAV):

|  |                      |
|--|----------------------|
| Texas Class Government Investment Pool | <u>NAV</u>           |
|  | <u>\$ 16,944,443</u> |

September 30, 2022

| Investment Type                       | Cost                 | Fair Value           | Level | Weighted Average Maturity (Years) |
|---------------------------------------|----------------------|----------------------|-------|-----------------------------------|
| Vanguard Federated Money Market Funds | \$ 10,057,437        | \$ 10,057,437        | 1     |                                   |
| Non-Pooled Certificates of Deposit    | <u>5,000,000</u>     | <u>5,000,000</u>     | 2     |                                   |
| Total Fair Value                      | <u>\$ 15,057,437</u> | <u>\$ 15,057,437</u> |       | 0.163                             |

Investments measured at net asset value (NAV):

|  |                      |
|--|----------------------|
| Texas Class Government Investment Pool | <u>NAV</u>           |
|  | <u>\$ 10,074,043</u> |

There were no transfers in/out of the fair value hierarchy during the years ended September 30, 2023 and 2022.

**NOTE 3 DEPOSITS AND INVESTMENTS: (CONTINUED)**Valuation Techniques

The investments in the Texas Class Government Investment Pool (the Pool) are measured at amortized cost and the Pool is reported at net asset value. The Pool invests in U.S. government securities with a maturity of 60 days or less. The City has no unfunded commitments to the Pool and the investment may be redeemed on demand similar to money market funds at \$1 per share. Vanguard money market funds are valued based on quoted market prices. Certificates of deposit, which are considered level 2, are valued using pricing models and redemption values for similar assets.

Interest Rate Risk

In accordance with its investment policy, the City manages its exposure to declines in fair values by limiting the weighted average maturity of its investments to five years or less.

Credit Risk-Investments

The City is restricted by state statute to investments which include obligations of the U.S. Government and its agencies, obligations of the State of Texas and its agencies, obligations of other states, cities, and counties having at least an "A" rating, common trust funds of banks domiciled in Texas, certificates of deposit, and repurchase agreements. At September 30, 2023 the City was in compliance with the above requirements.

Custodial Credit Risk – Investments

The investments of the City may be held in the name of agents, nominees, depository trust companies, or other custodians designated by the City. The certificates of deposit are either fully insured or collateralized by securities held in the City of Livingston's name. All investment securities were registered and held in the City's name with the respective custodians.

**NOTE 4 PROPERTY TAXES:**

The county assessor/collector's office collects property taxes assessed by the City in accordance with the City's enabling legislation.

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on October 1 and are due and payable at that time. All unpaid taxes levied October 1 become delinquent February 1 of the following year.

All property taxes at the fund level are recorded as receivables and deferred revenues at the time the taxes are assessed. Revenues are recognized as the related ad valorem taxes are collected. Additional amounts estimated to be collectible in time to be a resource for payment of obligations incurred during the fiscal year and therefore susceptible to accrual in accordance with generally accepted accounting principles have been recognized as revenue.

The City had no property taxes receivable as of September 30, 2023.

**NOTE 4 PROPERTY TAXES: (CONTINUED)**

The City increased sales tax rates by 1/2 cent beginning January 1, 1988. Due to the resultant increase in sales tax revenue, the City determined it unnecessary to assess property taxes for fiscal years beginning after September 30, 1988. All budgeted expenditures previously met through property taxes are being liquidated through the increased sales tax.

The City did not assess ad valorem taxes for 2023.

**NOTE 5 DETAIL OF COMBINED ITEMS:**

The detail of items combined in the reconciliation of the statement of revenues, expenditures, and changes in fund balances of governmental funds to the statement of activities are as follows for the year ended September 30, 2023:

|  |                     |
|--|---------------------|
| Governmental funds capital outlays                             | \$ 1,118,611        |
| Governmental funds depreciation expense                        | <u>(1,263,992)</u>  |
| Amount by which depreciation exceeded capital outlays          | <u>\$ (145,381)</u> |
| <br>Pension Expense based on contributions                     | \$ 570,101          |
| Pension Expense based on change in net pension liability       | <u>(860,283)</u>    |
| Amount by which pension expense exceeded pension contributions | <u>\$ (290,182)</u> |
| <br>OPEB Expense based on contributions                        | \$ 20,207           |
| OPEB Expense based on change in liability                      | <u>(19,844)</u>     |
| Amount by which OPEB contributions exceeded OPEB expense       | <u>\$ 363</u>       |

**NOTE 6 CAPITAL ASSETS:**

Capital asset activity for the year ended September 30, 2023 was as follows:

|   | (1) Balance<br>October 1,<br>2022 | Additions          | Retirements/<br>Adjustments | Balance<br>September 30,<br>2023 |
|---|-----------------------------------|--------------------|-----------------------------|----------------------------------|
| Governmental Activities:                    |                                   |                    |                             |                                  |
| Capital assets not being depreciated        |                                   |                    |                             |                                  |
| Land  | \$ 476,004                        | \$ -               | \$ -                        | \$ 476,004                       |
| Capital assets being depreciated            |                                   |                    |                             |                                  |
| Building and Improvements                   | 7,040,253                         | 157,534            | -                           | 7,197,787                        |
| Equipment and Fixtures                      | 8,179,100                         | 557,310            | -                           | 8,736,410                        |
| Paving, Sidewalks and Streets               | 18,358,190                        | 187,340            | -                           | 18,545,530                       |
| Parks Development                           | 3,987,513                         | 11,406             | -                           | 3,998,919                        |
| Airport Improvements                        | 762,207                           | 205,021            | -                           | 967,228                          |
| Total capital assets being depreciated      | <u>38,327,263</u>                 | <u>1,118,611</u>   | <u>-</u>                    | <u>39,445,874</u>                |
| Less accumulated depreciation for:          |                                   |                    |                             |                                  |
| Buildings and Improvements                  | (3,858,804)                       | (212,547)          | -                           | (4,071,351)                      |
| Equipment and Fixtures                      | (6,485,069)                       | (439,111)          | -                           | (6,924,180)                      |
| Paving, Sidewalks and Streets               | (14,517,425)                      | (551,209)          | -                           | (15,068,634)                     |
| Parks Development                           | (3,064,870)                       | (45,609)           | -                           | (3,110,479)                      |
| Airport Improvements                        | (681,462)                         | (15,516)           | -                           | (696,978)                        |
| Total accumulated depreciation              | <u>(28,607,630)</u>               | <u>(1,263,992)</u> | <u>-</u>                    | <u>(29,871,622)</u>              |
| Total capital assets being depreciated, net | <u>9,719,633</u>                  | <u>(145,381)</u>   | <u>-</u>                    | <u>9,574,252</u>                 |
| Governmental activities capital assets, net | \$ 10,195,637                     | \$ (145,381)       | \$ -                        | \$ 10,050,256                    |

**NOTE 6 CAPITAL ASSETS: (CONTINUED)**

|  | Balance<br>October 1,<br>2022 | Additions           | Retirements/<br>Adjustments | Balance<br>September 30,<br>2023 |
|--|-------------------------------|---------------------|-----------------------------|----------------------------------|
| <b>Business-type Activities:</b>             |                               |                     |                             |                                  |
| Capital assets not being depreciated         |                               |                     |                             |                                  |
| Land   | \$ 694,222                    | \$ -                | \$ -                        | \$ 694,222                       |
| Water Service Contract Rights                | <u>17,190,000</u>             | <u>-</u>            | <u>790,000</u>              | <u>16,400,000</u>                |
|  | <u>17,884,222</u>             | <u>-</u>            | <u>790,000</u>              | <u>17,094,222</u>                |
| Capital assets being depreciated             |                               |                     |                             |                                  |
| Building and Improvements                    | 629,836                       | 180,612             | -                           | 810,448                          |
| Equipment and Fixtures                       | 3,260,243                     | 76,789              | -                           | 3,337,032                        |
| Electrical System                            | 11,575,446                    | 2,009,186           | -                           | 13,584,632                       |
| Water System                                 | 16,598,986                    | 1,237,584           | -                           | 17,836,570                       |
| Sewer System                                 | <u>11,143,450</u>             | <u>1,283,486</u>    | <u>-</u>                    | <u>12,426,936</u>                |
| Total capital assets being depreciated       | <u>43,207,961</u>             | <u>4,787,657</u>    | <u>-</u>                    | <u>47,995,618</u>                |
| Less accumulated depreciation for:           |                               |                     |                             |                                  |
| Building and Improvements                    | (281,704)                     | (21,079)            | -                           | (302,783)                        |
| Equipment and Fixtures                       | (2,617,950)                   | (165,415)           | -                           | (2,783,365)                      |
| Electrical System                            | (2,371,783)                   | (190,882)           | 1                           | (2,562,664)                      |
| Water System                                 | (3,932,628)                   | (258,257)           | -                           | (4,190,885)                      |
| Sewer System                                 | <u>(3,911,044)</u>            | <u>(176,751)</u>    | <u>-</u>                    | <u>(4,087,795)</u>               |
| Total accumulated depreciation               | <u>(13,115,109)</u>           | <u>(812,384)</u>    | <u>1</u>                    | <u>(13,927,492)</u>              |
| Total capital assets being depreciated, net  | <u>30,092,852</u>             | <u>3,975,273</u>    | <u>(1)</u>                  | <u>34,068,126</u>                |
| Business-type activities capital assets, net | <u>\$ 47,977,074</u>          | <u>\$ 3,975,273</u> | <u>\$ 789,999</u>           | <u>\$ 51,162,348</u>             |

GAAP requires that interest expenditures incurred during construction of assets be capitalized. GAAP also concludes that constructed assets financed with the proceeds of tax-exempt debt (if those funds are externally restricted to finance the acquisitions of the asset or used to service the related debt) should include capitalized interest only to the extent that interest cost exceeds interest earned on related interest-bearing investments acquired with proceeds of the related tax-exempt borrowing. During 2023, net interest costs were not capitalized because there were no interest expenditures related to constructed assets.

**NOTE 6 CAPITAL ASSETS: (CONTINUED)**

Depreciation expense was charged as direct expense to programs of the primary government as follows:

|                            |  |                     |
|----------------------------|--|---------------------|
| Governmental Activities    |  |                     |
| Administrative             |  | \$ 65,006           |
| Sanitation                 |  | 120                 |
| Fire                       |  | 74,681              |
| Police                     |  | 157,483             |
| Paving and street          |  | 650,730             |
| Parks and recreation       |  | 146,859             |
| Library                    |  | 133,440             |
| Garage                     |  | 35,673              |
| Governmental Activities    |  | <u>\$ 1,263,992</u> |
| Business-type activities   |  |                     |
| Electric, Water and Street |  | <u>\$ 812,384</u>   |

The City had no active construction projects as of September 30, 2023, but has plans for spending up to \$733,000 for a new firetruck and equipment, \$1,076,000 for police equipment and vehicles, \$1,130,000 for street improvements, \$1,372,000 for parks improvements, \$78,000 for garage vehicle and tools, and \$3,053,000 for electric, water and sewer system improvements in 2024.

**NOTE 7 PENSION PLAN:**Plan Description

The City provides pension benefits for all of its full-time employees through a nontraditional, joint contributory hybrid, defined benefit plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the System with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS's defined benefit pension plan is a tax-qualified plan under Section 401 (a) of the Internal Revenue Code. TMRS issues a publicly available annual comprehensive financial report (ACFR) that can be obtained at [www.tmrs.com](http://www.tmrs.com). All eligible employees of the City are required to participate in TMRS.

Benefits Provided

TMRS provides retirement, disability, and death benefits. The plan provisions that have been adopted by the City are within the options available in the governing state statutes of TMRS.

**NOTE 7 PENSION PLAN: (CONTINUED)**

Benefits depend upon the sum of the employee's contributions to the Plan, with interest, and the City-financed monetary credits, with interest. At the date the Plan began, the City granted monetary credits for service rendered before the plan began of a theoretical amount at least equal to two times what would have been contributed by the employee, with interest (3% annual), prior to establishment of the Plan. Monetary credits for service since the plan began are a percent (200%) of the employee's accumulated contributions. In addition, the City can grant, as often as annually, another type of monetary credit referred to as an updated service credit which is a theoretical amount which, when added to the employee's accumulated contributions and the monetary credits for service since the Plan began, would be the total monetary credits and employee contributions accumulated with interest if the current employee contribution rate and City matching percent had always been in existence and if the employee's salary had always been the average of his salary in the last three years that are one year before the effective date. At retirement, the benefit is calculated as if the sum of the employee's accumulated contributions with interest and the employer-financed monetary credits with interest were used to purchase an annuity.

Members can retire at age 60 and above with 10 or more years of service or with 25 years of service regardless of age. A member is vested after 10 years.

The TMRS Board determined that the Entry Age Normal Cost method should be used effective December 31, 2013, which produces contribution rates that are more predictable and that exhibit less volatility than those produced under the previous Projected Unit Credit method. In addition, the City adopted a 30-year closed period for amortization with 23 years remaining.

Employees covered by benefit terms at the December 31, 2022 valuation and measurement date are as follows:

|  |     |
|--|-----|
| Inactive employees or beneficiaries currently receiving benefits | 49  |
| Inactive employees entitled to but not yet receiving benefits    | 25  |
| Active employees   | 83  |
| Total  | 157 |

Contributions

The contribution rate for the employees is 7%, and the City matching ratio is currently 2 to 1, both as adopted by the governing body of the City. Under the state law governing TMRS, the actuary annually determines the City's contribution rate. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City's contributions to TMRS for the year ended September 30, 2023, were \$824,417, and were equal to the required contributions.

**NOTE 7 PENSION PLAN: (CONTINUED)**

Net Pension Liability

The City's Net Pension Liability (NPL) was measured as of December 31, 2022 and the Total Pension Liability (TPL) used to calculate the NPL was determined by an actuarial valuation as of that date.

The TPL in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions:

|                           |   |
|---------------------------|---|
| Inflation                 | 2.5% per year   |
| Overall payroll growth    | 2.75% per year, adjusted down for population declines, if any |
| Investment Rate of Return | 6.75%   |

Salary increases were based on a service-related table. Mortality rates for active members are based on the PUB(10) mortality tables with the Public Safety table used for males and the General Employee table used for females. Mortality rates for healthy retirees and beneficiaries are based on the Gender-distinct 2019 Municipal Retirees of Texas mortality tables. The rates for actives, healthy retirees and beneficiaries are projected on fully generational basis by scale UMP to account for future mortality improvements. For disabled annuitants, the same mortality tables for healthy retirees is used with a 4-year set-forward for males and a 3-year set-forward for females. In addition, a 3.5% and 3.0% minimum mortality rate is applied, for males and females respectively, to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

Actuarial assumptions used in the December 31, 2022 valuation were based on the results of actuarial experience studies. The experience study in TMRS was for the four-year period December 31, 2014 through December 31, 2018, last updated for the December 31, 2019 valuation. The post-retirement mortality assumption for Annuity Purchase Rates (APR's) is based on the Mortality Experience Investigation Study covering 2009 through 2011 and dated December 31, 2013. Plan assets are managed on a total return basis with a an emphasis on both capital appreciation as well as the production of income in order to satisfy the short-term and long-term funding needs of TMRS. Assumptions are reviewed annually. No additional changes were made for the 2022 valuation.

The long-term expected rate of return on pension plan investments is 6.75%. The pension plan's policy regarding the allocation of invested assets is established and may be amended by the TMRS Board of Trustees. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income, to satisfy the short-term and long-term funding needs of TMRS.

**NOTE 7 PENSION PLAN: (CONTINUED)**

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 returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.5%. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

| <u>Asset Class</u>           | <u>Target Allocation</u> | <u>Long-Term Expected Real Rate of Return</u> |
|------------------------------|--------------------------|---|
| Global Public Equity         | 35.0%                    | 7.55%   |
| Core Fixed Income            | 6.0%                     | 2.00%   |
| Non-Core Fixed Income        | 20.0%                    | 5.68%   |
| Other Public Private Markets | 12.0%                    | 7.22%   |
| Real Estate                  | 12.0%                    | 6.85%   |
| Hedge Funds                  | 5.0%                     | 5.35%   |
| Private Equity               | <u>10.0%</u>             | 10.00%  |
| Total                        | <u>100.0%</u>            |   |

The discount rate used to measure the TPL was 6.75%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the TPL.

| <u>Changes in Net Pension Liability</u>                          | <u>Total Pension Liability</u> | <u>Plan Fiduciary Net Position</u> | <u>Net Pension Liability</u> |
|--|--------------------------------|------------------------------------|------------------------------|
| Balance at 12/31/21  | \$ 32,884,405                  | \$ 32,270,110                      | \$ 614,295                   |
| Changes for the year:  |                                |                                    |                              |
| Service cost   | 786,301                        | -                                  | 786,301                      |
| Interest   | 2,189,454                      | -                                  | 2,189,454                    |
| Change of benefit terms  | -                              | -                                  | -                            |
| Difference between expected and<br>actual experience             | 866,943                        | -                                  | 866,943                      |
| Changes in assumptions   | -                              | -                                  | -                            |
| Contributions - Employer   | -                              | 752,737                            | (752,737)                    |
| Contributions - Employee   | -                              | 345,519                            | (345,519)                    |
| Net Investment Income  | -                              | (2,355,437)                        | 2,355,437                    |
| Benefit payments, including refunds<br>of employee contributions | (1,682,405)                    | (1,682,405)                        | -                            |
| Administrative expense   | -                              | (20,384)                           | 20,384                       |
| Other changes  | -                              | 24,324                             | (24,324)                     |
| Net changes  | <u>2,160,293</u>               | <u>(2,935,646)</u>                 | <u>5,095,939</u>             |
| Balance at 12/31/22  | <u>\$ 35,044,698</u>           | <u>\$ 29,334,464</u>               | <u>\$ 5,710,234</u>          |

**NOTE 7 PENSION PLANS: (CONTINUED)**

The following presents the net pension liability of the City, calculated using the discount rate of 6.75% as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75%) or 1-percentage-point higher (7.75%) than the current rate:

|                              | 1% Decrease<br>5.75% | Current Single Rate<br>Assumption 6.75% | 1% Increase<br>7.75% |
|------------------------------|----------------------|---|----------------------|
| City's net pension liability | \$ 10,370,882        | \$ 5,710,234                            | \$ 1,865,379         |

Detailed information about the pension plan's Fiduciary Net Position is available in a separately-issued TMRS financial report available at the website previously mentioned. Pension liabilities are liquidated through payments from both the general fund and enterprise fund in relation to their proportionate salaries.

Pension Expense and Deferred Outflows and Inflows of Resources Related to Pensions

For the year ended September 30, 2023, the City recognized pension expense of \$860,283. At September 30, 2023, the City reported deferred outflows and deferred inflows of resources related to pensions from the following sources:

|  | Deferred Outflows<br>of Resources | Deferred Inflows<br>of Resources |
|--|-----------------------------------|----------------------------------|
| Difference in investment returns                                     | \$ 2,949,230                      | \$ -                             |
| Contributions subsequent to the measurement date (December 31, 2022) | 607,534                           | -                                |
| <b>Total</b>   | <b>\$ 3,556,764</b>               | <b>\$ -</b>                      |

\$607,534 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date of the net pension liability but before the end of the City's fiscal year will be recognized as a reduction of the net pension liability for the year ending September 30, 2024 rather than in the current fiscal year end. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

|              | Net deferred<br>outflows (inflows)<br>of resources |
|--------------|--|
| 2023         | \$ 390,920   |
| 2024         | 725,023  |
| 2025         | 705,196  |
| 2026         | 1,091,558  |
| 2027         | 36,533   |
| Thereafter   | -  |
| <b>Total</b> | <b>\$ 2,949,230</b>                                |

**NOTE 8    SUPPLEMENTAL DEATH BENEFITS:**Plan Description

The City provides group-term life insurance coverage ("supplemental death benefits") for their active and retired employees through a single-employer defined benefit plan. Coverage may be discontinued by adopting an ordinance before November 1 of any year to be effective the following January 1. The plan is administered by the TMRS. The Plan was instituted by ordinance of the City. Additional information about the plan can be obtained from TMRS at the website above. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

Benefits

Payments are similar to group-term life insurance benefits and are paid to the designated beneficiary upon the receipt of an approved application for payment. The death benefit for active employees provides a lump-sum payment approximately equal to the employee's annual salary (calculated based on the employee's actual earnings for the twelve-month period preceding the month of death). The death benefit for retirees is considered an other postemployment benefit (OPEB) and is a fixed amount of \$7,500. The number of employees covered is as follows:

|   |         |
|---|---------|
| Inactive employees currently receiving benefits               | 34      |
| Inactive employees entitled to but not yet receiving benefits | 7       |
| Active employees  | 83      |
| <br>Total   | <br>124 |

Significant assumptions

The actuarial assumptions used in the December 31, 2022 valuation were based on the results of an actuarial experience study for the period December 31, 2014 to December 31, 2018. The OPEB liability in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions:

|  |  |
|--|--|
| Inflation                                | 2.5% per year  |
| Overall payroll growth                   | 3.5% to 11.5% including inflation  |
| Discount rate*                           | 4.05%  |
| Retirees' share of benefit-related costs | \$0  |
| Administrative expenses                  | All administrative expenses are paid through the Pension Trust and accounted for under reporting requirements under GASB Statement No. 68. 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP   |
| Mortality rates - service retirees       | 2019 Municipal Retirees of Texas Mortality Tables with a 4 year set-forward for males and a 3 year set-forward for females. In addition, a 3.5% and 3% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor. |
| Mortality rates - disabled retirees      |  |

**NOTE 8    SUPPLEMENTAL DEATH BENEFITS: (CONTINUED)**

\*The discount rate was based on the Fidelity Index's "20-Year Municipal GO AA Index" rate as of December 31, 2022.

| <u>Changes in OPEB Liability</u>                     | <u>Total OPEB Liability</u> |
|--|-----------------------------|
| Balance at 12/31/21                                  | \$ 331,270                  |
| Changes for the year:                                |                             |
| Service cost   | 12,340                      |
| Interest   | 6,145                       |
| Change of benefit terms                              | -                           |
| Difference between expected and<br>actual experience | 9,830                       |
| Changes in assumptions                               | (114,527)                   |
| Benefit payments                                     | (6,910)                     |
| Net changes  | <u>(93,122)</u>             |
| Balance at 12/31/22                                  | <u>\$ 238,148</u>           |

Death benefit liabilities are liquidated through payments from the general fund.

Death Benefit Insurance Expense and Deferred Outflows of Resources Related to OPEB

For the year ended September 30, 2023, the City recognized death benefit insurance expense of \$19,844. At September 30, 2023, the City reported deferred (inflows) outflows of resources related to OPEB from the following sources:

|   | <u>Deferred Outflows<br/>of Resources</u> | <u>Deferred Inflows<br/>of Resources</u> |
|---|---|--|
| Changes in assumptions  | \$ -                                      | \$ (52,063)                              |
| Difference between expected and actual<br>experience                    | -   | -  |
| Contributions subsequent to the measurement<br>date (December 31, 2022) | 16,571                                    | -  |
| Total   | <u>\$ 16,571</u>                          | <u>\$ (52,063)</u>                       |

**NOTE 8 SUPPLEMENTAL DEATH BENEFITS: (CONTINUED)**

\$16,571 reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date of the OPEB liability but before the end of the City's fiscal year will be recognized as a reduction of the OPEB liability for the year ending September 30, 2024 rather than in the current fiscal year end. Other amounts reported as deferred inflows of resources related to OPEB will be recognized in death benefit insurance expense as follows:

|            | Net deferred<br>outflows of<br>resources |
|------------|--|
| 2023       | \$ (4,565)                               |
| 2024       | (6,166)                                  |
| 2025       | (5,931)                                  |
| 2026       | (12,225)                                 |
| 2027       | (16,327)                                 |
| Thereafter | <u>(6,849)</u>                           |
| Total      | <u>\$ (52,063)</u>                       |

**Contributions**

Contributions are made monthly based on the covered payroll of employee members. The rate for 2022 was 0.26% of covered payroll. The rate is equal to the cost of providing one-year term life insurance. The funding policy is to assure that adequate resources are available to meet death benefit payments for the upcoming year; the intent is not to pre-fund retiree term life insurance during employees' entire careers. The City's contribution to the supplemental death benefit plan for the years ended September 30, 2023, 2022, and 2021 were \$20,207, \$12,617, and \$11,830, respectively, which equaled the required contributions each year.

**NOTE 9 RAW WATER SUPPLY CONTRACT:**

On February 22, 1978, the City entered a contract with the Trinity River Authority of Texas (TRA) to purchase from the TRA amounts of raw water impounded in the Livingston Reservoir. The City is obligated to pay an annual standby charge on or before the 10th day of each February and August. Annual standby charges are calculated by multiplying the equivalent of the current annual average daily amount TRA is obligated to sell to the City by the TRA's rates for sale of raw water to municipalities. In November 2019, the City renewed its water supply contract with TRA for 50 years on similar terms. Under the new agreement, TRA will provide daily up to 7.5 MGD through the year 2070.

## **NOTE 10 WATER SYSTEM SERVICE CONTRACT:**

On February 22, 1978, the City also entered into a water system service contract with the TRA whereby, the TRA agreed to pay all the actual costs of acquiring, by purchase or construction, through the issuance of bonds, a water supply and treatment system to render water supply and treatment services to the inhabitants of the City. Although the TRA is to retain title, the City shall have the exclusive use of the entire project throughout its natural life.

In September 2010 and July 2013, the TRA issued \$2,715,000 and \$20,575,000 in bonds, respectively, to expand the capabilities of the system to meet the requirements of the City. The bonds are secured by the net revenues of the City's combined waterworks and sanitary sewer system.

In April 2021 the outstanding balance of \$1,885,000 bonds from 2010 were refunded by the issuance of \$1,930,000 in new bonds. The total savings as a result of the refunding is \$277,099 and the economic impact on a present value basis is \$237,022.

Under terms of the contract, the City is to pay to TRA amounts equal to the operation and maintenance expenses of the system plus the amounts necessary for the debt service payments on the TRA's bonds. All such payments shall constitute reasonable and necessary operating expenses of the City's combined waterworks and sanitary sewer systems. During the fiscal year ended September 30, 2023, the City paid approximately \$1,562,000 into the interest and sinking fund. The annual principal and interest payments applicable to the TRA's bonds through maturity are in the following amounts:

| <u>Calendar Year</u> | <u>Amount<br/>Per Year</u> |
|----------------------|----------------------------|
| 2024                 | 1,555,482                  |
| 2025                 | 1,560,118                  |
| 2026                 | 1,563,445                  |
| 2027                 | 1,562,302                  |
| 2028                 | 1,563,365                  |
| 2029-2038            | <u>15,323,601</u>          |
| Total                | <u>\$ 23,128,313</u>       |

### Changes in Long-term Contracts Payable-

| <u>Business Type Activities</u> | <u>Balance<br/>October 1,<br/>2022</u> | <u>Issues or<br/>Additions</u> | <u>Payments or<br/>Expenditures</u> | <u>Balance<br/>September 30,<br/>2023</u> | <u>Due Within<br/>One Year</u> |
|---------------------------------|--|--------------------------------|-------------------------------------|---|--------------------------------|
| Contracts payable               | \$ 17,190,000                          | \$ -                           | \$ 790,000                          | \$ 16,400,000                             | \$ 810,000                     |
| Total business                  | <u>\$ 17,190,000</u>                   | <u>\$ -</u>                    | <u>\$ 790,000</u>                   | <u>\$ 16,400,000</u>                      | <u>\$ 810,000</u>              |

**NOTE 11 ENERGY AND POWER CONTRACT:**

The City entered a contract with the Sam Rayburn Municipal Power Agency (Agency) on May 1, 1981 for the purchase of power and energy. The contract will remain in force until all contractual obligations entered into by the Agency for the generation, purchase, transmission or transformation of power and energy have been terminated and provision has been made for the payment of any residual costs as permitted by law or until the expiration of three years after notice of termination of this contract shall have been given by either the Agency or the City to the other party.

Subject to the agreement, the Agency shall sell and deliver to the City of Livingston and the City of Livingston shall purchase and take from the Agency all power and energy required by the City for the operation of its electrical system. The Agency shall use its best efforts to acquire, by purchase or otherwise, and to deliver or shall cause to be delivered to the points of delivery, power and energy in the manner determined to be the most economical, dependable and otherwise feasible.

The City of Livingston shall pay to the Agency the amount as being due and payable in the billing statement submitted by the Agency to the City whether or not the system, or any part thereof, is completed, is operating or operable, or its output is suspended, interrupted, interfered with, reduced, curtailed, or terminated in whole or in part.

The obligation of the City to make such payments constitutes an operating expense of its electric system payable solely from the revenues and receipts of such electric system. Such obligation to make payments from the revenues and receipts of the City's electric system shall be absolute and unconditional and shall not be conditioned upon the performance or nonperformance of the Agency or any other power purchaser under any power sales contract or any other agreement or instrument and shall not be terminated, reduced or suspended for any other cause or reason whatsoever.

During the year ended September 30, 1999, the Agency entered into an agreement with Entergy Power Marketing Corp. and Entergy Power, Inc. to sell its excess system capacity. Upon the expiration of the Requirements Power Supply Agreement in September 2021, the City began being served under the Supplemental Requirements Power Supply Agreement with Entergy which allows the Agency to purchase its delivered power and energy supply at wholesale prices, sufficient to service the retail loads and normal load growth of the cities it currently serves through 2036.

Reflected in the revenues for the Electric, Water and Sewer Fund is a recovery of the City's pro rata share of the Cambridge Project revenue of approximately \$7,000,000 (a separate wholesale power supply contract that allows the Agency to utilize excess capacity and make distributions of profit back to the participating cities), and an energy charge savings refund of approximately \$366,000.

**NOTE 12 RELATED PARTY TRANSACTIONS:**

The City of Livingston maintains its bank accounts at two local banks. Certain members of the City Council are directors of the First National Bank of Livingston. Deposits in the banks are secured by collateral pledged by the banks.

**NOTE 13 LITIGATION:**

The City is party to various legal proceedings which normally occur in governmental operations. These legal proceedings are not likely to have a material adverse impact on the affected funds of the City. All the proceedings are being handled by the City's insurance carrier. No losses are accrued in relation to these proceedings.

**NOTE 14 COMMITMENTS AND CONTINGENT LIABILITIES:**Grants

The City participates in federally assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The audits of these programs including the year ended September 30, 2023 have not yet been conducted. Accordingly, the City's compliance with applicable grant requirements will be established at some future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time although the City expects such amounts, if any, to be immaterial. The City used approximately \$864,000 in federal grants in 2023 principally related to Covid recovery to pay for certain water and sewer system improvements. Grants received whose purpose restriction was not met at fiscal year-end are reflected as deferred inflows in the statement of net position.

**NOTE 15 RISK MANAGEMENT:**

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City transfers this risk, except for minor deductibles, by purchasing insurance from commercial carriers and by participation in the Texas Municipal League Intergovernmental Risk Pool. The risk pool covers the major risk categories including general public liability, law enforcement liability, auto liability, public official liability, property insurance and workers compensation. Coverage in the pool is continuous and annual contributions are subject to adjustment each year on the anniversary date based on updated exposure information and change in rating.

There were no significant changes in coverage limits from the prior year. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

**NOTE 16 SANITATION DEPARTMENT CONTRACT:**

The City's entered into a contract with Piney Wood Sanitation for waste collection and sanitation services effective August 1, 2023. The City continues to perform all billing and administrative procedures, but all employees and equipment for the sanitation department have been eliminated.

**NOTE 17 GOLF COURSE LEASE AGREEMENT:**

The City renewed its agreement to lease the municipal golf course for a five-year period expiring December 31, 2024. Under the terms of the lease, the City will receive \$1.00 per year.

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**REQUIRED SUPPLEMENTARY INFORMATION**

**CITY OF LIVINGSTON, TEXAS**  
**REQUIRED SUPPLEMENTAL INFORMATION-TEXAS MUNICIPAL RETIREMENT SYSTEM**  
**SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS**  
**Last Ten Fiscal Years**  
**(For the years available)**

|   | 2014                        | 2015                        | 2016                        | 2017                        |
|---|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| <b>Total pension liability</b>  |                             |                             |                             |                             |
| Service Cost  | \$ 496,383                  | \$ 568,239                  | \$ 621,499                  | \$ 651,578                  |
| Interest (on the Total Pension Liability)                                     | 1,523,437                   | 1,617,245                   | 1,636,121                   | 1,724,891                   |
| Changes of benefit terms  | -                           | -                           | -                           | -                           |
| Difference between expected and actual exper.                                 | 117,800                     | (214,821)                   | 69,229                      | (679,286)                   |
| Change of assumptions   | -                           | 69,611                      | -                           | -                           |
| Benefit payments, including refunds of employee contributions                 | <u>(749,395)</u>            | <u>(917,464)</u>            | <u>(945,709)</u>            | <u>(1,107,858)</u>          |
| <b>Net Change in Total Pension Liability</b>                                  | <b>1,388,225</b>            | <b>1,122,810</b>            | <b>1,381,140</b>            | <b>589,325</b>              |
| <b>Total Pension Liability - Beginning</b>                                    | <b><u>21,889,894</u></b>    | <b><u>23,278,119</u></b>    | <b><u>24,400,929</u></b>    | <b><u>25,782,079</u></b>    |
| <b>Total Pension Liability - Ending</b>                                       | <b><u>\$ 23,278,119</u></b> | <b><u>\$ 24,400,929</u></b> | <b><u>\$ 25,782,069</u></b> | <b><u>\$ 26,371,404</u></b> |
| <b>Plan Fiduciary Net Position</b>  |                             |                             |                             |                             |
| Contributions Employer  | \$ 624,014                  | \$ 629,618                  | \$ 628,150                  | \$ 678,848                  |
| Contributions Employee  | 255,893                     | 263,597                     | 273,960                     | 289,223                     |
| Net Investment Income   | 1,092,015                   | 29,953                      | 1,371,056                   | 2,992,834                   |
| Benefit payments, including refunds of employee contributions                 | <u>(749,395)</u>            | <u>(917,464)</u>            | <u>(945,709)</u>            | <u>(1,107,858)</u>          |
| Administrative Expense  | (11,401)                    | (18,244)                    | (15,483)                    | (15,512)                    |
| Other   | <u>(937)</u>                | <u>(902)</u>                | <u>(834)</u>                | <u>(787)</u>                |
| <b>Net Change in Plan Fiduciary Net Position</b>                              | <b>1,210,189</b>            | <b>(13,442)</b>             | <b>1,311,140</b>            | <b>2,836,748</b>            |
| <b>Plan Fiduciary Net Position - Beginning</b>                                | <b><u>19,089,100</u></b>    | <b><u>20,299,289</u></b>    | <b><u>20,285,847</u></b>    | <b><u>21,596,987</u></b>    |
| <b>Plan Fiduciary Net Position - Ending</b>                                   | <b><u>\$ 20,299,289</u></b> | <b><u>\$ 20,285,847</u></b> | <b><u>\$ 21,596,987</u></b> | <b><u>\$ 24,433,735</u></b> |
| <b>Net Pension Liability - Ending</b>   | <b><u>\$ 2,978,830</u></b>  | <b><u>\$ 4,115,082</u></b>  | <b><u>\$ 4,185,082</u></b>  | <b><u>\$ 1,937,669</u></b>  |
| <b>Plan Fiduciary Net Position as a percentage of Total Pension Liability</b> | <b>87.20%</b>               | <b>83.14%</b>               | <b>83.77%</b>               | <b>92.65%</b>               |
| <b>Covered Payroll</b>  | <b>\$ 3,655,618</b>         | <b>\$ 3,765,664</b>         | <b>\$ 3,913,719</b>         | <b>\$ 4,131,759</b>         |
| <b>Net Pension Liability as a Percentage of Covered Payroll</b>               | <b>81.49%</b>               | <b>109.28%</b>              | <b>106.93%</b>              | <b>46.90%</b>               |

See independent auditor's report.

| 2018                 | 2019                 | 2020                 | 2021                 | 2022                 |
|----------------------|----------------------|----------------------|----------------------|----------------------|
| \$ 681,190           | \$ 716,673           | \$ 735,863           | \$ 762,713           | \$ 786,301           |
| 1,766,964            | 1,896,598            | 2,015,611            | 2,082,908            | 2,189,454            |
| -                    | -                    | -                    | -                    | -                    |
| 548,556              | 403,167              | (372,797)            | 210,025              | 866,943              |
| -                    | 43,623               | -                    | -                    | -                    |
| <u>(1,069,520)</u>   | <u>(1,118,353)</u>   | <u>(1,494,672)</u>   | <u>(1,295,548)</u>   | <u>(1,682,405)</u>   |
| 1,927,190            | 1,941,708            | 884,005              | 1,760,098            | 2,160,293            |
| <u>26,371,404</u>    | <u>28,298,594</u>    | <u>30,240,302</u>    | <u>31,124,307</u>    | <u>32,884,405</u>    |
| <u>\$ 28,298,594</u> | <u>\$ 30,240,302</u> | <u>\$ 31,124,307</u> | <u>\$ 32,884,405</u> | <u>\$ 35,044,698</u> |
| <br>                 | <br>                 | <br>                 | <br>                 | <br>                 |
| \$ 709,158           | \$ 676,477           | \$ 717,420           | \$ 773,697           | \$ 752,737           |
| 301,221              | 319,740              | 322,747              | 334,314              | 345,519              |
| (731,969)            | 3,653,320            | 2,060,088            | 3,745,459            | (2,355,437)          |
| <u>(1,069,520)</u>   | <u>(1,118,353)</u>   | <u>(1,494,672)</u>   | <u>(1,295,548)</u>   | <u>(1,682,405)</u>   |
| <u>(14,145)</u>      | <u>(20,640)</u>      | <u>(13,329)</u>      | <u>(17,329)</u>      | <u>(20,384)</u>      |
| <u>(739)</u>         | <u>(620)</u>         | <u>(521)</u>         | <u>119</u>           | <u>24,324</u>        |
| <u>(805,994)</u>     | <u>3,509,924</u>     | <u>1,591,733</u>     | <u>3,540,712</u>     | <u>(2,935,646)</u>   |
| <u>24,433,735</u>    | <u>23,627,741</u>    | <u>27,137,665</u>    | <u>28,729,398</u>    | <u>32,270,110</u>    |
| <u>\$ 23,627,741</u> | <u>\$ 27,137,665</u> | <u>\$ 28,729,398</u> | <u>\$ 32,270,110</u> | <u>\$ 29,334,464</u> |
| <br>                 | <br>                 | <br>                 | <br>                 | <br>                 |
| \$ 4,670,853         | \$ 3,102,637         | \$ 2,394,909         | \$ 614,295           | \$ 5,710,234         |
| <br>                 | <br>                 | <br>                 | <br>                 | <br>                 |
| 83.49%               | 89.74%               | 92.31%               | 98.13%               | 83.71%               |
| \$ 4,303,160         | \$ 4,567,707         | \$ 4,610,672         | \$ 4,775,910         | \$ 4,935,979         |
| <br>                 | <br>                 | <br>                 | <br>                 | <br>                 |
| 108.54%              | 67.93%               | 51.94%               | 12.86%               | 115.69%              |

See independent auditor's report.

**CITY OF LIVINGSTON, TEXAS**  
**REQUIRED SUPPLEMENTAL INFORMATION-TEXAS MUNICIPAL RETIREMENT SYSTEM**  
**SCHEDULE OF CONTRIBUTIONS**  
**Last Ten Fiscal Years**  
**(For the years available)**

---

|  | <u>2015</u>    | <u>2016</u>    | <u>2017</u>    | <u>2018</u>    | <u>2019</u>    |
|--|----------------|----------------|----------------|----------------|----------------|
| Actuarially Determined Contribution                                  | \$ 629,618     | \$ 629,618     | \$ 628,150     | \$ 678,848     | \$ 691,310     |
| Contributions in relation to the actuarially determined contribution | <u>629,618</u> | <u>629,618</u> | <u>628,150</u> | <u>678,848</u> | <u>691,310</u> |
| Contribution deficiency (excess)                                     | <u>\$ -</u>    |
| Covered payroll  | \$ 3,962,286   | \$ 4,093,657   | \$ 4,174,523   | \$ 4,388,762   | \$ 4,552,991   |
| Contributions as a percentage of covered employee payroll            | 15.89%         | 15.38%         | 15.05%         | 15.47%         | 15.18%         |

**Notes to Schedule of Contributions**

**Valuation Date:**

Actuarially determined contribution rates are calculated as of December 31 and become effective in January, 13 months later.

**Methods and Assumptions Used to Determine Contribution Rates:**

|                               |  |
|-------------------------------|--|
| Actuarial Cost Method         | Entry Age Normal   |
| Amortization Method           | Level Percentage of Payroll, Closed  |
| Remaining Amortization Period | 23 years (longest amortization ladder)   |
| Asset Valuation Method        | 10 Year smoothed market; 12% soft Corridor   |
| Inflation                     | 2.50%  |
| Salary Increases              | 3.5% to 11.5% including inflation  |
| Investment Rate of Return     | 6.75%  |
| Retirement Age                | Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2019 valuation pursuant to an experience study of the period 2014-2018.   |
| Mortality                     | Post retirement: 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP.<br>Pre-retirement: PUB (10) mortality tables, with Public Safety table used for males and the General Employee table used for females. The rates are projected on a fully generational basis with scale UMP. |

**Other Information:**

**Notes**

There were no benefit changes during the year.

| 2020           | 2021           | 2022           | 2023           |
|----------------|----------------|----------------|----------------|
| \$ 724,278     | \$ 763,462     | \$ 765,156     | \$ 824,417     |
| <u>724,278</u> | <u>763,462</u> | <u>765,156</u> | <u>824,417</u> |
| \$ -           | \$ -           | \$ -           | \$ -           |
| \$ 4,699,421   | \$ 4,765,666   | \$ 4,962,934   | \$ 5,494,617   |
| 15.41%         | 16.02%         | 15.42%         | 15.00%         |

See Independent auditor's report.

**CITY OF LIVINGSTON, TEXAS**  
**REQUIRED SUPPLEMENTAL INFORMATION-TEXAS MUNICIPAL RETIREMENT SYSTEM**  
**SCHEDULE OF CHANGES IN TOTAL OTHER POSTEMPLOYMENT BENEFITS**  
**(OPEB AND RELATED RATIOS)**

|   | <b>Last Ten Fiscal Years</b><br><b>(For the years available)</b> |                   |                   |                   |
|---|--|-------------------|-------------------|-------------------|
|   | <b>2017</b>  | <b>2018</b>       | <b>2019</b>       | <b>2020</b>       |
| <b>Total OPEB liability</b>   |  |                   |                   |                   |
| Service Cost  | \$ 6,611   | \$ 8,176          | \$ 5,938          | \$ 8,299          |
| Interest  | 7,148  | 7,223             | 8,196             | 7,619             |
| Changes of benefit terms  | -  | -                 | -                 | -                 |
| Difference between expected and actual experience                           | -  | 5,702             | (426)             | (9,354)           |
| Change of assumptions   | 16,687   | (15,302)          | 43,338            | 41,437            |
| Benefit Payments  | <u>(2,066)</u>   | <u>(2,152)</u>    | <u>(1,827)</u>    | <u>(2,305)</u>    |
| <b>Net Change in OPEB Liability</b>   | 28,380   | 3,647             | 55,219            | 45,696            |
| <b>Total OPEB Liability - Beginning</b>                                     | <u>186,826</u>   | <u>215,206</u>    | <u>218,853</u>    | <u>274,072</u>    |
| <b>Total OPEB Liability - Ending</b>  | <u>\$ 215,206</u>  | <u>\$ 218,853</u> | <u>\$ 274,072</u> | <u>\$ 319,768</u> |
| <b>Covered Employee Payroll</b>   | \$ 4,131,759   | \$ 4,303,160      | \$ 4,567,707      | \$ 4,610,672      |
| <b>Total OPEB Liability as a Percentage of<br/>Covered Employee Payroll</b> | 5.21%  | 5.09%             | 6.00%             | 6.94%             |

**Notes to Schedule**

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75 to pay related benefits.

**Valuation Date:**

Actuarially determined contribution rates are calculated as of December 31.

Factors that significantly affect trends in the amounts reported:

|  |  |
|--|--|
| Inflation                                | 2.50%  |
| Salary Increases                         | 3.5% to 11.5% including inflation  |
| Discount rate*                           | 4.05%  |
| Retirees' share of benefit related costs | \$0  |
| Administrative expenses                  | All administrative expenses are paid through the Pension Trust and accounted for under reporting requirements under GASB Statement No. 68. 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP.  |
| Mortality rates - service retirees       | 2019 Municipal Retirees of Texas Mortality Tables with a 4 year set-forward for males and a 3 year set-forward for females. In addition, a 3.5% and 3% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor. |
| Mortality rates - disabled retirees      | 2019 Municipal Retirees of Texas Mortality Tables with a 4 year set-forward for males and a 3 year set-forward for females. In addition, a 3.5% and 3% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor. |

\* The discount rate was based on the Fidelity Index's "20-Year Municipal GO AA Index" rate as of December 31, 2022.

|                   | <u>2021</u>       | <u>2022</u> |
|-------------------|-------------------|-------------|
| \$ 11,462         | \$ 12,340         |             |
| 6,448             | 6,145             |             |
| -                 | -                 |             |
| (10,211)          | 9,830             |             |
| 10,012            | (114,527)         |             |
| <u>(6,209)</u>    | <u>(6,910)</u>    |             |
| 11,502            | (93,122)          |             |
| <u>319,768</u>    | <u>331,270</u>    |             |
| <u>\$ 331,270</u> | <u>\$ 238,148</u> |             |
| \$ 4,775,910      | \$ 4,935,979      |             |
| 6.94%             | 4.82%             |             |

See Independent auditor's report.

**INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES**

## **GENERAL FUND**

**CITY OF LIVINGSTON, TEXAS**  
**GENERAL FUND - COMPARATIVE BALANCE SHEET**  
**SEPTEMBER 30, 2023 AND 2022**

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**ASSETS**

|                            | <b>2023</b>         | <b>2022</b>         |
|----------------------------|---------------------|---------------------|
| Cash                       | \$ 6,412,015        | \$ 4,538,927        |
| Receivables:               |                     |                     |
| Returned checks receivable | -                   | 143                 |
| Paving accounts receivable | 17,277              | 17,277              |
| Taxes receivable           | <u>899,587</u>      | <u>834,724</u>      |
| Total Assets               | <u>\$ 7,328,879</u> | <u>\$ 5,391,071</u> |

**LIABILITIES AND FUND BALANCES**

**LIABILITIES**

|                   |                |                |
|-------------------|----------------|----------------|
| Accounts payable  | \$ 397,528     | \$ 347,888     |
| Total Liabilities | <u>397,528</u> | <u>347,888</u> |

**FUND BALANCES**

|                                     |                     |                     |
|-------------------------------------|---------------------|---------------------|
| Restricted for library memorials    | 36,410              | 30,202              |
| Unassigned                          | <u>6,894,941</u>    | <u>5,012,981</u>    |
| Total Fund Balances                 | <u>6,931,351</u>    | <u>5,043,183</u>    |
| Total Liabilities and Fund Balances | <u>\$ 7,328,879</u> | <u>\$ 5,391,071</u> |

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**CITY OF LIVINGSTON, TEXAS**  
**GENERAL FUND - SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2023**  
**WITH COMPARATIVE ACTUAL TOTALS FOR 2022**

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|  | <b>Budgeted Amounts GAAP Basis</b> |                     |                     |                     |
|--|------------------------------------|---------------------|---------------------|---------------------|
|  | <b>Original</b>                    | <b>Revisions</b>    | <b>Final</b>        | <b>Actual</b>       |
| <b><u>REVENUES</u></b>   |                                    |                     |                     |                     |
| Taxes:   |                                    |                     |                     |                     |
| Sales taxes  | \$ 5,473,000                       | \$ 127,394          | \$ 5,600,394        | \$ 5,505,516        |
| Franchise taxes  | 152,000                            | -                   | 152,000             | 161,274             |
| Hotel/Motel taxes  | 367,500                            | (22,500)            | 345,000             | 350,045             |
| Licenses and permits   | 183,000                            | (3,215)             | 179,785             | 162,304             |
| Charges for service  | 1,644,500                          | (15,670)            | 1,628,830           | 1,601,841           |
| Fines and forfeitures  | 533,000                            | 244,727             | 777,727             | 499,035             |
| Miscellaneous  | 128,100                            | 29,006              | 157,106             | 181,391             |
| Total Revenues   | <u>8,481,100</u>                   | <u>359,742</u>      | <u>8,840,842</u>    | <u>8,461,406</u>    |
| <b><u>EXPENDITURES</u></b>   |                                    |                     |                     |                     |
| Administrative   | 844,000                            | (222,780)           | 621,220             | 673,949             |
| Sanitation   | 963,000                            | (55,000)            | 908,000             | 1,092,989           |
| Fire   | 1,477,800                          | (764,676)           | 713,124             | 636,349             |
| Police   | 3,275,000                          | 183,588             | 3,458,588           | 3,245,238           |
| Paving and street  | 2,435,000                          | (53,692)            | 2,381,308           | 1,193,576           |
| Parks and recreation   | 1,710,500                          | (257,322)           | 1,453,178           | 1,522,916           |
| Library  | 526,000                            | 13,355              | 539,355             | 543,942             |
| Garage   | 590,500                            | (176,613)           | 413,887             | 423,349             |
| Total Expenditures   | <u>11,821,800</u>                  | <u>(1,333,140)</u>  | <u>10,488,660</u>   | <u>9,332,308</u>    |
| Excess of revenues over (under) expenditures   | <u>(3,340,700)</u>                 | <u>1,692,882</u>    | <u>(1,647,818)</u>  | <u>(870,902)</u>    |
| <b><u>OTHER FINANCING SOURCES (USES)</u></b>   |                                    |                     |                     |                     |
| Transfers in   | 2,486,700                          | 367,500             | 2,854,200           | 2,759,070           |
| Total other financing sources (uses)   | <u>2,486,700</u>                   | <u>367,500</u>      | <u>2,854,200</u>    | <u>2,759,070</u>    |
| Excess (deficiency) of revenues and other financing sources over expenditures and other uses | <u>\$ (854,000)</u>                | <u>\$ 2,060,382</u> | <u>\$ 1,206,382</u> | <u>1,888,168</u>    |
| Fund balances at beginning of year   |                                    |                     |                     | <u>5,043,183</u>    |
| Fund balances at end of year   |                                    |                     |                     | <u>\$ 6,931,351</u> |

| <b>Variance<br/>With Final<br/>Budget<br/>Positive<br/>(Negative)</b> | <b>2022<br/>Actual</b> |
|---|------------------------|
| \$ (94,878)   | \$ 5,209,435           |
| 9,274   | 118,774                |
| 5,045   | 337,814                |
| (17,481)  | 122,927                |
| (26,989)  | 1,590,221              |
| (278,692)   | 483,046                |
| 24,285  | 220,709                |
| <u>(379,436)</u>  | <u>8,082,926</u>       |
| <br>  | <br>                   |
| (52,729)  | 636,060                |
| (184,989)   | 971,533                |
| 76,775  | 673,470                |
| 213,350   | 2,693,701              |
| 1,187,732   | 1,361,325              |
| (69,738)  | 1,280,645              |
| (4,587)   | 481,371                |
| (9,462)   | 346,410                |
| <u>1,156,352</u>  | <u>8,444,515</u>       |
| <br>  | <br>                   |
| 776,916   | (361,589)              |
| <br>  | <br>                   |
| (95,130)  | 1,490,295              |
| <u>(95,130)</u>   | <u>1,490,295</u>       |
| <br>  | <br>                   |
| \$ 681,786  | 1,128,706              |
| <br>  | <br>                   |
|   | 3,914,477              |
| <br>  | <br>                   |
|   | \$ 5,043,183           |

**CITY OF LIVINGSTON, TEXAS**  
**GENERAL FUND**  
**SCHEDULE OF EXPENDITURES-BUDGET (GAAP BASIS) AND ACTUAL**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2023**  
**WITH COMPARATIVE ACTUAL TOTALS FOR 2022**

---

|                                   | <b>Budgeted Amounts GAAP Basis</b> |                  |                |
|-----------------------------------|------------------------------------|------------------|----------------|
|                                   | <b>Original</b>                    | <b>Revisions</b> | <b>Final</b>   |
| <b>ADMINISTRATIVE DEPARTMENT</b>  |                                    |                  |                |
| Salaries                          | \$ 216,000                         | \$ 6,746         | \$ 222,746     |
| Social Security                   | 18,000                             | (1,949)          | 16,051         |
| Retirement                        | 35,000                             | (2,305)          | 32,695         |
| Employee insurance                | 37,000                             | 3,384            | 40,384         |
| Uniforms                          | 500                                | (50)             | 450            |
| Insurance and bonds               | 16,000                             | (100)            | 15,900         |
| Legal and professional            | 58,000                             | (37,200)         | 20,800         |
| Elections                         | -                                  | 14,021           | 14,021         |
| Auditing and accounting           | 17,000                             | 2,000            | 19,000         |
| Supplies                          | 36,000                             | 200              | 36,200         |
| Repairs-building and grounds      | 50,000                             | (37,532)         | 12,468         |
| Equipment repairs and maintenance | 29,000                             | (13,000)         | 16,000         |
| Gas and oil                       | 12,000                             | (9,000)          | 3,000          |
| Utility/telephone                 | 12,000                             | (1,890)          | 10,110         |
| Dues and subscriptions            | 20,000                             | (2,492)          | 17,508         |
| Building demolitions              | 80,000                             | (77,000)         | 3,000          |
| Transportation and contingency    | 36,000                             | (18,000)         | 18,000         |
| Hotel Motel funded events         | 100,000                            | -                | 100,000        |
| Programming                       | 7,000                              | -                | 7,000          |
| Postage and miscellaneous         | <u>4,500</u>                       | <u>52</u>        | <u>4,552</u>   |
|                                   | 784,000                            | (174,115)        | 609,885        |
| Capital expenditures              | <u>60,000</u>                      | <u>(48,665)</u>  | <u>11,335</u>  |
| Total Administrative              | <u>844,000</u>                     | <u>(222,780)</u> | <u>621,220</u> |
| <b>SANITATION DEPARTMENT</b>      |                                    |                  |                |
| Supplies                          | 88,000                             | -                | 88,000         |
| Refuse disposal/landfills         | <u>875,000</u>                     | <u>(55,000)</u>  | <u>820,000</u> |
| Total Sanitation                  | <u>963,000</u>                     | <u>(55,000)</u>  | <u>908,000</u> |

| <b>Actual</b>   | <b>Variance<br/>With Final<br/>Budget<br/>Positive<br/>(Negative)</b> | <b>2022<br/>Actual</b> |
|-----------------|---|------------------------|
| \$ 215,777      | \$ 6,969  | \$ 193,894             |
| 16,029          | 22  | 14,833                 |
| 32,311          | 384   | 30,569                 |
| 38,659          | 1,725   | 34,298                 |
| -               | 450   | -                      |
| 14,784          | 1,116   | 14,335                 |
| 16,365          | 4,435   | 61,044                 |
| 12,155          | 1,866   | -                      |
| 18,477          | 523   | 15,333                 |
| 35,375          | 825   | 28,862                 |
| 10,260          | 2,208   | 8,647                  |
| 18,576          | (2,576)   | 26,251                 |
| 3,095           | (95)  | 3,848                  |
| 6,943           | 3,167   | 9,823                  |
| 18,088          | (580)   | 18,791                 |
| 3,717           | (717)   | 14,279                 |
| 18,671          | (671)   | 19,124                 |
| 106,402         | (6,402)   | 99,193                 |
| 33,013          | (26,013)  | 20,971                 |
| 4,133           | 419   | 5,143                  |
| <hr/> 622,830   | <hr/> (12,945)  | <hr/> 619,238          |
| <hr/> 51,119    | <hr/> (39,784)  | <hr/> 16,822           |
| <hr/> 673,949   | <hr/> (52,729)  | <hr/> 636,060          |
| <hr/><br>79,636 | <hr/><br>8,364  | <hr/><br>109,957       |
| <hr/> 1,013,353 | <hr/> (193,353)   | <hr/> 861,576          |
| <hr/> 1,092,989 | <hr/> (184,989)   | <hr/> 971,533          |

**CITY OF LIVINGSTON, TEXAS**  
**GENERAL FUND**  
**SCHEDULE OF EXPENDITURES-BUDGET (GAAP BASIS) AND ACTUAL**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2023**  
**WITH COMPARATIVE ACTUAL TOTALS FOR 2022**

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|                                   | <b>Budgeted Amounts GAAP Basis</b> |                         |                         |
|-----------------------------------|------------------------------------|-------------------------|-------------------------|
|                                   | <b>Original</b>                    | <b>Revisions</b>        | <b>Final</b>            |
| <b>FIRE DEPARTMENT</b>            |                                    |                         |                         |
| Salaries                          | 272,000                            | (39,559)                | 232,441                 |
| Salaries, administration          | 46,000                             | 3,079                   | 49,079                  |
| Social Security                   | 15,000                             | 1,181                   | 16,181                  |
| Retirement                        | 37,000                             | (3,411)                 | 33,589                  |
| Employee insurance                | 35,000                             | 4,034                   | 39,034                  |
| Insurance and bonds               | 36,000                             | -                       | 36,000                  |
| Recruitment costs                 | 1,500                              | -                       | 1,500                   |
| Supplies                          | 45,000                             | -                       | 45,000                  |
| Repairs-building and grounds      | 10,000                             | -                       | 10,000                  |
| Equipment repairs and maintenance | 80,000                             | -                       | 80,000                  |
| Gas and oil                       | 18,000                             | -                       | 18,000                  |
| Utility/telephone                 | 25,000                             | -                       | 25,000                  |
| Dues and subscriptions            | 5,500                              | -                       | 5,500                   |
| Transportation and contingency    | 12,000                             | -                       | 12,000                  |
| Maintenance contribution          | 30,000                             | -                       | 30,000                  |
| Postage and miscellaneous         | <u>4,800</u>                       | <u>-</u>                | <u>4,800</u>            |
|                                   | 672,800                            | (34,676)                | 638,124                 |
| Capital expenditures              | <u>805,000</u>                     | <u>(730,000)</u>        | <u>75,000</u>           |
| <b>Total Fire</b>                 | <b><u>1,477,800</u></b>            | <b><u>(764,676)</u></b> | <b><u>713,124</u></b>   |
| <b>POLICE DEPARTMENT</b>          |                                    |                         |                         |
| Salaries                          | 1,812,000                          | 83,158                  | 1,895,158               |
| Salaries, administration          | 46,000                             | 3,079                   | 49,079                  |
| Social Security                   | 139,000                            | 9,734                   | 148,734                 |
| Retirement                        | 287,000                            | 39,958                  | 326,958                 |
| Employee insurance                | 368,000                            | 7,442                   | 375,442                 |
| Uniforms                          | 40,000                             | -                       | 40,000                  |
| Insurance and bonds               | 110,000                            | 17,950                  | 127,950                 |
| Supplies                          | 33,000                             | -                       | 33,000                  |
| Repairs-building and grounds      | 16,000                             | (1,800)                 | 14,200                  |
| Equipment repairs and maintenance | 55,000                             | (14,800)                | 40,200                  |
| Gas and oil                       | 90,000                             | (40,000)                | 50,000                  |
| Utility/telephone                 | 27,000                             | -                       | 27,000                  |
| Dues and subscriptions            | 51,000                             | (3,806)                 | 47,194                  |
| Transportation and contingency    | 38,000                             | 9,000                   | 47,000                  |
| Drug dog                          | -                                  | 18,367                  | 18,367                  |
| Postage and miscellaneous         | <u>50,000</u>                      | <u>(9,000)</u>          | <u>41,000</u>           |
|                                   | 3,162,000                          | 119,282                 | 3,281,282               |
| Capital expenditures              | <u>113,000</u>                     | <u>64,306</u>           | <u>177,306</u>          |
| <b>Total Police</b>               | <b><u>3,275,000</u></b>            | <b><u>183,588</u></b>   | <b><u>3,458,588</u></b> |

| <b>Actual</b> | <b>Variance<br/>With Final<br/>Budget<br/>Positive<br/>(Negative)</b> | <b>2022<br/>Actual</b> |
|---------------|---|------------------------|
| 221,616       | 10,825  | 219,447                |
| 48,574        | 505   | 27,582                 |
| 14,634        | 1,547   | 14,533                 |
| 29,219        | 4,370   | 29,978                 |
| 30,203        | 8,831   | 31,816                 |
| 32,991        | 3,009   | 32,478                 |
| -             | 1,500   | -                      |
| 56,847        | (11,847)  | 42,712                 |
| 2,666         | 7,334   | 17,496                 |
| 47,040        | 32,960  | 120,344                |
| 9,599         | 8,401   | 12,588                 |
| 28,424        | (3,424)   | 29,247                 |
| 3,065         | 2,435   | 7,545                  |
| 15,175        | (3,175)   | 16,738                 |
| 24,097        | 5,903   | 24,760                 |
| 2,217         | 2,583   | 3,747                  |
| <hr/>         | <hr/>   | <hr/>                  |
| 566,367       | 71,757  | 631,011                |
| 69,982        | 5,018   | 42,459                 |
| <hr/>         | <hr/>   | <hr/>                  |
| 636,349       | 76,775  | 673,470                |
| <br><hr/>     | <br><hr/>   | <br><hr/>              |
| 1,807,753     | 87,405  | 1,512,931              |
| 48,574        | 505   | 27,582                 |
| 143,183       | 5,551   | 118,268                |
| 283,446       | 43,512  | 243,071                |
| 330,912       | 44,530  | 288,657                |
| 14,919        | 25,081  | 14,269                 |
| 74,428        | 53,522  | 69,518                 |
| 36,802        | (3,802)   | 25,548                 |
| 14,128        | 72  | 14,796                 |
| 43,296        | (3,096)   | 39,467                 |
| 52,859        | (2,859)   | 65,641                 |
| 23,505        | 3,495   | 28,558                 |
| 23,127        | 24,067  | 23,587                 |
| 53,150        | (6,150)   | 46,512                 |
| -             | 18,367  | -                      |
| <hr/>         | <hr/>   | <hr/>                  |
| 26,644        | 14,356  | 21,707                 |
| <br><hr/>     | <br><hr/>   | <br><hr/>              |
| 2,976,726     | 304,556   | 2,540,112              |
| 268,512       | (91,206)  | 153,589                |
| <hr/>         | <hr/>   | <hr/>                  |
| 3,245,238     | 213,350   | 2,693,701              |

**CITY OF LIVINGSTON, TEXAS**  
**GENERAL FUND**  
**SCHEDULE OF EXPENDITURES-BUDGET (GAAP BASIS) AND ACTUAL**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2023**  
**WITH COMPARATIVE ACTUAL TOTALS FOR 2022**

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|  | <b>Budgeted Amounts GAAP Basis</b> |                         |                         |
|--|------------------------------------|-------------------------|-------------------------|
|  | <b>Original</b>                    | <b>Revisions</b>        | <b>Final</b>            |
| <b>PAVING AND STREET DEPARTMENT</b>    |                                    |                         |                         |
| Salaries                               | 343,000                            | 27,034                  | 370,034                 |
| Salaries, administration               | 46,000                             | 2,870                   | 48,870                  |
| Social Security                        | 27,000                             | 5,046                   | 32,046                  |
| Retirement                             | 60,000                             | 11,800                  | 71,800                  |
| Employee insurance                     | 101,000                            | 8,307                   | 109,307                 |
| Uniforms                               | 15,000                             | (8,500)                 | 6,500                   |
| Insurance and bonds                    | 48,000                             | -                       | 48,000                  |
| Supplies                               | 24,000                             | -                       | 24,000                  |
| Repairs-building and grounds           | 25,000                             | -                       | 25,000                  |
| Equipment rental                       | -                                  | -                       | -                       |
| Equipment repairs and maintenance      | 71,500                             | (18,000)                | 53,500                  |
| Gas and oil                            | 54,000                             | (26,000)                | 28,000                  |
| Transit system                         | 5,000                              | -                       | 5,000                   |
| Transportation and contingency         | <u>10,500</u>                      | <u>(6,250)</u>          | <u>4,250</u>            |
|  | 830,000                            | (3,692)                 | 826,308                 |
| Capital expenditures                   | <u>1,605,000</u>                   | <u>(50,000)</u>         | <u>1,555,000</u>        |
| <b>Total Paving and Street</b>         | <b><u>2,435,000</u></b>            | <b><u>(53,692)</u></b>  | <b><u>2,381,308</u></b> |
| <b>PARKS AND RECREATION DEPARTMENT</b> |                                    |                         |                         |
| Salaries                               | 500,000                            | (40,833)                | 459,167                 |
| Salaries, administration               | 92,000                             | 5,741                   | 97,741                  |
| Social Security                        | 40,000                             | 2,603                   | 42,603                  |
| Retirement                             | 84,000                             | (6,578)                 | 77,422                  |
| Employee insurance                     | 135,000                            | (2,803)                 | 132,197                 |
| Uniforms                               | 13,500                             | (2,000)                 | 11,500                  |
| Insurance and bonds                    | 37,000                             | (3,300)                 | 33,700                  |
| Advertising, hotel tax                 | 33,000                             | (10,000)                | 23,000                  |
| Supplies                               | 97,000                             | (8,300)                 | 88,700                  |
| Repairs-building and grounds           | 101,000                            | (64,500)                | 36,500                  |
| Equipment repairs and maintenance      | 43,000                             | 5,000                   | 48,000                  |
| Gas and oil                            | 162,500                            | (138,500)               | 24,000                  |
| Utility/telephone                      | 18,000                             | 2,000                   | 20,000                  |
| Dues and subscriptions                 | 2,000                              | (225)                   | 1,775                   |
| Transportation and contingency         | 6,000                              | (1,160)                 | 4,840                   |
| Programming costs                      | 25,000                             | (34,060)                | (9,060)                 |
| Postage and miscellaneous              | <u>1,500</u>                       | <u>(450)</u>            | <u>1,050</u>            |
|  | 1,390,500                          | (297,365)               | 1,093,135               |
| Capital expenditures                   | <u>320,000</u>                     | <u>40,043</u>           | <u>360,043</u>          |
| <b>Total Parks and Recreation</b>      | <b><u>1,710,500</u></b>            | <b><u>(257,322)</u></b> | <b><u>1,453,178</u></b> |

| <b>Actual</b>    | <b>Variance<br/>With Final<br/>Budget<br/>Positive<br/>(Negative)</b> | <b>2022<br/>Actual</b> |
|------------------|---|------------------------|
| 381,446          | (11,412)  | 311,964                |
| 48,365           | 505   | 27,582                 |
| 32,884           | (838)   | 25,975                 |
| 66,295           | 5,505   | 53,581                 |
| 101,207          | 8,100   | 76,140                 |
| 9,762            | (3,262)   | 6,092                  |
| 27,515           | 20,485  | 29,212                 |
| 27,304           | (3,304)   | 15,937                 |
| 23,953           | 1,047   | 24,259                 |
| 134,158          | (134,158)   | -                      |
| 62,094           | (8,594)   | 79,258                 |
| 27,392           | 608   | 42,643                 |
| 4,638            | 362   | 1,193                  |
| 4,211            | 39  | 7,491                  |
| <b>951,224</b>   | <b>(124,916)</b>  | <b>701,327</b>         |
| <b>242,352</b>   | <b>1,312,648</b>  | <b>659,998</b>         |
| <b>1,193,576</b> | <b>1,187,732</b>  | <b>1,361,325</b>       |
| 484,816          | (25,649)  | 494,540                |
| 96,731           | 1,010   | 55,165                 |
| 44,486           | (1,883)   | 42,128                 |
| 81,974           | (4,552)   | 79,326                 |
| 126,343          | 5,854   | 110,389                |
| 13,037           | (1,537)   | 8,184                  |
| 27,501           | 6,199   | 17,852                 |
| 32,103           | (9,103)   | 61,344                 |
| 83,522           | 5,178   | 61,175                 |
| 26,015           | 10,485  | 79,657                 |
| 64,747           | (16,747)  | 48,005                 |
| 18,323           | 5,677   | 78,202                 |
| 16,597           | 3,403   | 17,367                 |
| 669              | 1,106   | 1,620                  |
| 947              | 3,893   | 6,561                  |
| (5,495)          | (3,565)   | 10,794                 |
| 992              | 58  | 783                    |
| <b>1,113,308</b> | <b>(20,173)</b>   | <b>1,173,092</b>       |
| <b>409,608</b>   | <b>(49,565)</b>   | <b>107,553</b>         |
| <b>1,522,916</b> | <b>(69,738)</b>   | <b>1,280,645</b>       |

**CITY OF LIVINGSTON, TEXAS**  
**GENERAL FUND**  
**SCHEDULE OF EXPENDITURES-BUDGET (GAAP BASIS) AND ACTUAL**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2023**  
**WITH COMPARATIVE ACTUAL TOTALS FOR 2022**

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|                                   | <b>Budgeted Amounts GAAP Basis</b> |                              |                             |
|-----------------------------------|------------------------------------|------------------------------|-----------------------------|
|                                   | <b>Original</b>                    | <b>Revisions</b>             | <b>Final</b>                |
| <b>LIBRARY DEPARTMENT</b>         |                                    |                              |                             |
| Salaries                          | 217,000                            | 8,662                        | 225,662                     |
| Salaries, administration          | 46,000                             | 2,870                        | 48,870                      |
| Social Security                   | 17,000                             | 4,018                        | 21,018                      |
| Retirement                        | 39,000                             | 2,643                        | 41,643                      |
| Employee insurance                | 81,000                             | (491)                        | 80,509                      |
| Insurance and bonds               | 10,000                             | (1,000)                      | 9,000                       |
| Supplies                          | 17,000                             | (3,000)                      | 14,000                      |
| Repairs-building and grounds      | 25,000                             | -                            | 25,000                      |
| Equipment repairs and maintenance | 10,000                             | (2,000)                      | 8,000                       |
| Utility/telephone                 | 10,000                             | -                            | 10,000                      |
| Dues and subscriptions            | 10,000                             | (1,000)                      | 9,000                       |
| Transportation and contingency    | 3,000                              | (2,000)                      | 1,000                       |
| Postage and printing              | <u>8,000</u>                       | <u>3,500</u>                 | <u>11,500</u>               |
|                                   | 493,000                            | 12,202                       | 505,202                     |
| Memorial capital                  | 5,000                              | 1,153                        | 6,153                       |
| Capital expenditures              | <u>28,000</u>                      | -                            | <u>28,000</u>               |
| <b>Total Library</b>              | <b>526,000</b>                     | <b>13,355</b>                | <b>539,355</b>              |
| <b>GARAGE DEPARTMENT</b>          |                                    |                              |                             |
| Salaries                          | 174,000                            | 6,240                        | 180,240                     |
| Salaries, administration          | 46,000                             | 2,870                        | 48,870                      |
| Social Security                   | 14,000                             | 3,316                        | 17,316                      |
| Retirement                        | 35,000                             | 245                          | 35,245                      |
| Employee insurance                | 44,000                             | 2,190                        | 46,190                      |
| Uniforms                          | 4,500                              | (774)                        | 3,726                       |
| Tool allowance                    | -                                  | 4,800                        | 4,800                       |
| Insurance and bonds               | 20,000                             | -                            | 20,000                      |
| Supplies                          | 10,000                             | -                            | 10,000                      |
| Repairs-building and grounds      | 15,000                             | (10,000)                     | 5,000                       |
| Equipment repairs and maintenance | 6,000                              | -                            | 6,000                       |
| Gas and oil                       | 3,000                              | -                            | 3,000                       |
| Utility/telephone                 | <u>7,000</u>                       | <u>(3,500)</u>               | <u>3,500</u>                |
|                                   | 378,500                            | 5,387                        | 383,887                     |
| Capital expenditures              | <u>212,000</u>                     | <u>(182,000)</u>             | <u>30,000</u>               |
| <b>Total Garage</b>               | <b>590,500</b>                     | <b>(176,613)</b>             | <b>413,887</b>              |
| <b>TOTAL GENERAL EXPENDITURES</b> | <b><u>\$ 11,821,800</u></b>        | <b><u>\$ (1,333,140)</u></b> | <b><u>\$ 10,488,660</u></b> |

| <b>Actual</b>              | <b>Variance<br/>With Final<br/>Budget<br/>Positive<br/>(Negative)</b> | <b>2022<br/>Actual</b>     |
|----------------------------|---|----------------------------|
| 226,005                    | (343)   | 219,655                    |
| 48,365                     | 505   | 27,582                     |
| 20,989                     | 29  | 18,914                     |
| 40,541                     | 1,102   | 38,161                     |
| 72,284                     | 8,225   | 64,563                     |
| 7,359                      | 1,641   | 5,800                      |
| 17,252                     | (3,252)   | 15,936                     |
| 28,827                     | (3,827)   | 26,611                     |
| 4,159                      | 3,841   | 7,786                      |
| 9,849                      | 151   | 9,359                      |
| 7,138                      | 1,862   | 8,821                      |
| 2,379                      | (1,379)   | 4,028                      |
| <u>16,426</u>              | <u>(4,926)</u>  | <u>8,879</u>               |
| 501,573                    | 3,629   | 456,095                    |
| 7,428                      | (1,275)   | 6,278                      |
| <u>34,941</u>              | <u>(6,941)</u>  | <u>18,998</u>              |
| <u>543,942</u>             | <u>(4,587)</u>  | <u>481,371</u>             |
| 187,117                    | (6,877)   | 178,334                    |
| 48,365                     | 505   | 27,582                     |
| 18,014                     | (698)   | 15,752                     |
| 36,315                     | (1,070)   | 32,380                     |
| 46,527                     | (337)   | 35,971                     |
| 4,228                      | (502)   | 3,096                      |
| 3,200                      | 1,600   | -                          |
| 11,972                     | 8,028   | 7,402                      |
| 12,398                     | (2,398)   | 12,838                     |
| 5,321                      | (321)   | 8,467                      |
| 7,004                      | (1,004)   | 7,682                      |
| 3,107                      | (107)   | 2,647                      |
| <u>5,111</u>               | <u>(1,611)</u>  | <u>6,110</u>               |
| 388,679                    | (4,792)   | 338,261                    |
| <u>34,670</u>              | <u>(4,670)</u>  | <u>8,149</u>               |
| <u>423,349</u>             | <u>(9,462)</u>  | <u>346,410</u>             |
| <b><u>\$ 9,332,308</u></b> | <b><u>\$ 1,156,352</u></b>  | <b><u>\$ 8,444,515</u></b> |

## **PROPRIETARY FUND**

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**CITY OF LIVINGSTON, TEXAS**  
**COMPARATIVE STATEMENT OF NET POSITION**  
**ELECTRIC, WATER AND SEWER FUND**  
**SEPTEMBER 30, 2023 AND 2022**

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| <b>ASSETS</b>                                     | <b>2023</b>          | <b>2022</b>          |
|---|----------------------|----------------------|
| Current assets:                                   |                      |                      |
| Cash  | \$ 3,431,371         | \$ 5,817,167         |
| Certificates of deposit                           | -                    | 5,000,000            |
| Investments                                       | 32,828,133           | 20,131,480           |
| Restricted assets                                 |                      |                      |
| Cash in bank, water and sewer system improvements | 500,844              | 1,364,196            |
| Cash in bank, reserve fund                        | 519,789              | 367,452              |
| Receivables:                                      |                      |                      |
| Returned checks receivable                        | 3,598                | 26,742               |
| Utility accounts receivable                       | <u>2,074,720</u>     | <u>1,967,836</u>     |
| Total current assets                              | <u>39,358,455</u>    | <u>34,674,873</u>    |
| Noncurrent assets:                                |                      |                      |
| Capital assets:                                   |                      |                      |
| Land  | 694,222              | 694,222              |
| Building and improvements                         | 810,448              | 629,836              |
| Equipment and fixtures                            | 3,337,031            | 3,260,243            |
| Electrical system                                 | 13,584,632           | 11,575,445           |
| Water system                                      | 17,836,570           | 16,598,986           |
| Sewer system                                      | 12,426,937           | 11,143,450           |
| Water service contract rights                     | <u>16,400,000</u>    | <u>17,190,000</u>    |
| Less accumulated depreciation                     | <u>65,089,840</u>    | <u>61,092,182</u>    |
| Net capital assets                                | <u>51,162,348</u>    | <u>47,977,074</u>    |
| Total assets                                      | <u>90,520,803</u>    | <u>82,651,947</u>    |
| Deferred outflows of resources:                   |                      |                      |
| Amounts related to pensions                       |                      |                      |
| Contributions after December 31, 2022             | 185,043              | 193,661              |
| Difference in investment returns                  | <u>961,701</u>       | <u>-</u>             |
| Total Deferred Outflows of Resources              | <u>1,146,744</u>     | <u>193,661</u>       |
| Total Assets and Deferred Outflows of Resources   | <u>\$ 91,667,547</u> | <u>\$ 82,845,608</u> |

**CITY OF LIVINGSTON, TEXAS**  
**COMPARATIVE STATEMENT OF NET POSITION**  
**ELECTRIC, WATER AND SEWER FUND**  
**SEPTEMBER 30, 2023 AND 2022**

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| <b>LIABILITIES</b>                                       | <b>2023</b>          | <b>2022</b>          |
|--|----------------------|----------------------|
| Current liabilities:                                     |                      |                      |
| Accounts payable   | \$ 2,464,336         | \$ 1,070,558         |
| Meter deposits   | 708,604              | 649,275              |
| Contracts payable  | 810,000              | 790,000              |
| Total current liabilities                                | <u>3,982,940</u>     | <u>2,509,833</u>     |
| Noncurrent liabilities due in more than one year:        |                      |                      |
| Net pension liability                                    | 1,862,024            | 214,729              |
| Contracts payable  | <u>15,590,000</u>    | <u>16,400,000</u>    |
| Total noncurrent liabilities                             | <u>17,452,024</u>    | <u>16,614,729</u>    |
| Total liabilities  | <u>21,434,964</u>    | <u>19,124,562</u>    |
| Deferred inflows of resources:                           |                      |                      |
| Amounts related to pensions                              |                      |                      |
| Restricted for:  |                      |                      |
| Difference in investment returns                         | -                    | 593,010              |
| Amounts related to grants                                | <u>437,570</u>       | <u>1,301,461</u>     |
| Total Deferred Inflows of Resources                      | <u>437,570</u>       | <u>1,894,471</u>     |
| Total Liabilities and Deferred Inflows of Resources      | <u>21,872,534</u>    | <u>21,019,033</u>    |
| <b>NET POSITION</b>                                      |                      |                      |
| Net investment in capital assets                         | 34,762,348           | 30,787,074           |
| Restricted for water and sewer system improvements       | 500,844              | 1,364,196            |
| Restricted for Trinity River Authority contracts payable | 519,789              | 367,452              |
| Unrestricted   | <u>34,012,032</u>    | <u>29,307,853</u>    |
| Total Net Position                                       | <u>\$ 69,795,013</u> | <u>\$ 61,826,575</u> |

**CITY OF LIVINGSTON, TEXAS**  
**COMPARATIVE STATEMENT OF REVENUES, EXPENSES AND CHANGES**  
**IN NET POSITION**  
**ELECTRIC, WATER, AND SEWER FUND**  
**FOR THE YEARS ENDED SEPTEMBER 30, 2023 AND 2022**

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**Business-Type Activities - Enterprise Fund**

|  | <b>2023</b>          | <b>2022</b>          |
|--|----------------------|----------------------|
| <b><u>Operating revenues:</u></b>        |                      |                      |
| Charges for sales and services:          |                      |                      |
| Electricity sales                        | \$ 11,787,552        | \$ 10,688,938        |
| Water sales                              | 3,471,768            | 3,266,302            |
| Sewer service charges                    | 2,534,631            | 2,411,921            |
| Penalties, utilities                     | 181,863              | 164,819              |
| Water tapping fees                       | 14,813               | 42,318               |
| Sewer tapping fees                       | 8,000                | 10,903               |
| Recoveries, electrical                   | 7,480,982            | 7,303,893            |
| Recoveries, water                        | 116,570              | 240,335              |
| Grants                                   | 863,891              | -                    |
| Revenue, night lights                    | 96,255               | 101,105              |
| Service fees                             | 70,541               | 55,735               |
| Total Operating Revenues                 | <u>26,626,866</u>    | <u>24,286,269</u>    |
| <b><u>Operating expenses:</u></b>        |                      |                      |
| Light and Power Department               | 9,819,268            | 8,369,124            |
| Water Department                         | 5,360,969            | 4,841,315            |
| Sewer Department                         | 1,080,900            | 870,305              |
| Depreciation                             | 812,384              | 697,035              |
| Total Operating Expenses                 | <u>17,073,521</u>    | <u>14,777,779</u>    |
| Operating Income                         | 9,553,345            | 9,508,490            |
| <b><u>Non-operating revenues:</u></b>    |                      |                      |
| Interest income                          | <u>1,174,163</u>     | <u>110,498</u>       |
| Income Before Transfers and Special Item | 10,727,508           | 9,618,988            |
| Special Item - Assets Received           | -                    | 3,652,149            |
| Transfers Out                            | <u>(2,759,070)</u>   | <u>(1,490,295)</u>   |
| Change in net position                   | 7,968,438            | 11,780,842           |
| Total net position - beginning           | <u>61,826,575</u>    | <u>50,045,733</u>    |
| Total net position - ending              | <u>\$ 69,795,013</u> | <u>\$ 61,826,575</u> |

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**CITY OF LIVINGSTON, TEXAS**  
**COMPARATIVE STATEMENT OF CASH FLOWS**  
**ELECTRIC, WATER, AND SEWER FUND**  
**FOR THE YEARS ENDED SEPTEMBER 30, 2023 AND 2022**

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**Business-Type Activities - Enterprise Fund**

|  | <b>2023</b>         | <b>2022</b>         |
|--|---------------------|---------------------|
| Cash flows from operating activities:                              |                     |                     |
| Cash received from customers                                       | \$ 26,602,454       | \$ 23,756,775       |
| Cash payments to suppliers for goods and services                  | (13,998,936)        | (11,938,500)        |
| Cash payments to employees for services                            | <u>(1,631,111)</u>  | <u>(1,639,091)</u>  |
| Net cash provided by operating activities                          | <u>10,972,407</u>   | <u>10,179,184</u>   |
| Cash flows from noncapital financing activities:                   |                     |                     |
| Transfers to other funds   | <u>(2,759,070)</u>  | <u>(1,490,295)</u>  |
| Net cash used for noncapital financing activities                  | <u>(2,759,070)</u>  | <u>(1,490,295)</u>  |
| Cash flows from capital and related financing activities:          |                     |                     |
| Acquisition of capital assets                                      | <u>(4,787,658)</u>  | <u>(1,571,130)</u>  |
| Net cash used for capital and related financing activities         | <u>(4,787,658)</u>  | <u>(1,571,130)</u>  |
| Cash flows from investing activities:                              |                     |                     |
| Purchase of certificates of deposit                                | -                   | (4,000,000)         |
| Sale of certificates of deposit                                    | 5,000,000           | -                   |
| Purchase of investments  | (12,696,653)        | (106,542)           |
| Interest on cash and investments                                   | <u>1,174,163</u>    | <u>110,498</u>      |
| Net cash used by investing activities                              | <u>(6,522,490)</u>  | <u>(3,996,044)</u>  |
| Net Change in Cash and Cash Equivalents                            | <u>(3,096,811)</u>  | <u>3,121,715</u>    |
| Cash and Cash Equivalents at Beginning of Year                     | <u>7,548,815</u>    | <u>4,427,100</u>    |
| Cash and Cash Equivalents at End of Year                           | <u>\$ 4,452,004</u> | <u>\$ 7,548,815</u> |
|  |                     | (Continued)         |
| Non-cash capital and related financing activities:                 |                     |                     |
| Capital assets received from Sam Rayburn Municipal Power Authority | <u>\$ -</u>         | <u>\$ 3,652,149</u> |

**CITY OF LIVINGSTON, TEXAS**  
**COMPARATIVE STATEMENT OF CASH FLOWS**  
**ELECTRIC, WATER, AND SEWER FUND**  
**FOR THE YEARS ENDED SEPTEMBER 30, 2023 AND 2022**

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**Business-Type Activities - Enterprise Fund**

|   | <b>2023</b>          | <b>2022</b>          |
|---|----------------------|----------------------|
| Reconciliation of income from operations to net cash provided by operating activities:      |                      |                      |
| Income from operations  | \$ 9,553,345         | \$ 9,508,490         |
| Adjustments to reconcile operating net income to net cash provided by operating activities: |                      |                      |
| Depreciation  | 812,384              | 697,035              |
| Change in operating assets and liabilities:   |                      |                      |
| Returned checks receivable  | 23,144               | (2,430)              |
| Utility accounts receivable   | (106,884)            | (530,380)            |
| Deferred outflows   | (953,083)            | 23,674               |
| Accounts payable  | 1,393,778            | (522,991)            |
| Meter deposits  | 59,329               | 3,317                |
| Net pension liability   | 1,647,295            | (622,156)            |
| Deferred inflows  | <u>(1,456,901)</u>   | <u>1,624,625</u>     |
| Total adjustments   | <u>1,419,062</u>     | <u>670,694</u>       |
| Net cash provided by operating activities   | <u>\$ 10,972,407</u> | <u>\$ 10,179,184</u> |
| Reconciliation of total cash and cash investments   |                      |                      |
| Unrestricted  | \$ 3,431,371         | \$ 5,817,167         |
| Restricted  |                      |                      |
| Cash in bank, water and sewer system improvements   | 500,844              | 1,364,196            |
| Cash in bank, reserve fund  | <u>519,789</u>       | <u>367,452</u>       |
| Total cash and cash equivalents   | <u>\$ 4,452,004</u>  | <u>\$ 7,548,815</u>  |

(Concluded)

## **ENTERPRISE FUND**

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**CITY OF LIVINGSTON, TEXAS**  
**ENTERPRISE FUND**

**SCHEDULE OF EXPENSES BY DEPARTMENT - COMPARED TO BUDGET**

**FOR THE YEAR ENDED SEPTEMBER 30, 2023**

**WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED SEPTEMBER 30, 2022**

|   | <b>2023</b>                |                    |                  |                  |
|---|----------------------------|--------------------|------------------|------------------|
|   | <b>Original<br/>Budget</b> | <b>Revisions</b>   | <b>Final</b>     | <b>Actual</b>    |
| <b>LIGHT AND POWER DEPARTMENT</b>             |                            |                    |                  |                  |
| Salaries                                      | \$ 754,000                 | \$ (82,682)        | \$ 671,318       | \$ 730,008       |
| Salaries, administration                      | 46,000                     | 2,870              | 48,870           | 48,365           |
| Social Security                               | 60,000                     | (4,906)            | 55,094           | 59,546           |
| Retirement                                    | 118,000                    | (3,634)            | 114,366          | 167,859          |
| Employee insurance                            | 144,000                    | (4,210)            | 139,790          | 138,692          |
| Uniform rental                                | 12,000                     | (1,450)            | 10,550           | 9,763            |
| Insurance and bonds                           | 60,000                     | -                  | 60,000           | 38,942           |
| Legal and professional                        | 30,000                     | (3,500)            | 26,500           | 71,670           |
| Engineering                                   | 1,000                      | (1,000)            | -                | 608              |
| Supplies                                      | 60,000                     | 105,000            | 165,000          | 218,344          |
| Repairs-building and grounds<br>and equipment | 120,000                    | (55,000)           | 65,000           | 79,077           |
| Gas and oil                                   | 30,000                     | (15,000)           | 15,000           | 15,489           |
| Utility/telephone                             | 10,000                     | (2,000)            | 8,000            | 7,062            |
| Dues and subscriptions                        | 10,000                     | -                  | 10,000           | 6,812            |
| Power purchase                                | 11,300,000                 | (4,100,000)        | 7,200,000        | 8,180,773        |
| Transportation and contingency                | 12,000                     | -                  | 12,000           | 3,444            |
| Utility billing                               | 18,000                     | (2,000)            | 16,000           | 12,246           |
| Postage and miscellaneous                     | 8,000                      | 7,000              | 15,000           | 12,549           |
| Auditing and accounting                       | 17,000                     | 1,500              | 18,500           | 18,019           |
| <b>Total Light and Power</b>                  | <b>12,810,000</b>          | <b>(4,159,012)</b> | <b>8,650,988</b> | <b>9,819,268</b> |
| <b>WATER DEPARTMENT</b>                       |                            |                    |                  |                  |
| Salaries                                      | 556,000                    | (205,616)          | 350,384          | 497,683          |
| Salaries - administration                     | 46,000                     | 2,870              | 48,870           | 48,365           |
| Social Security                               | 43,000                     | (6,169)            | 36,831           | 42,466           |
| Retirement                                    | 94,000                     | (17,545)           | 76,455           | 119,724          |
| Employee insurance                            | 132,000                    | (18,817)           | 113,183          | 113,108          |
| Uniform rental                                | 12,000                     | (1,500)            | 10,500           | 12,425           |
| Insurance and bonds                           | 40,000                     | -                  | 40,000           | 26,483           |
| Legal and professional                        | 17,000                     | (4,000)            | 13,000           | 14,690           |
| Supplies                                      | 220,500                    | (55,500)           | 165,000          | 205,270          |
| Repairs-building and grounds                  | 17,000                     | (2,000)            | 15,000           | 13,748           |
| Equipment rental                              | -                          | -                  | -                | 71,906           |
| Repairs-equipment                             | 110,000                    | 90,000             | 200,000          | 200,163          |
| Gas and oil                                   | 81,000                     | (41,000)           | 40,000           | 44,336           |
| Engineering                                   | 20,000                     | (15,500)           | 4,500            | 3,234            |
| Dues and subscriptions                        | 25,000                     | (5,000)            | 20,000           | 17,171           |
| Water-TRA                                     | 464,000                    | -                  | 464,000          | 460,987          |
| Operations and maintenance-TRA                | 1,853,000                  | (23,000)           | 1,830,000        | 1,835,582        |
| Transportation and contingency                | 51,000                     | (29,000)           | 22,000           | 28,913           |
| Utility billing                               | 18,000                     | (3,000)            | 15,000           | 12,246           |
| Postage and printing                          | 20,000                     | (4,000)            | 16,000           | 12,550           |
| TRA-debt service                              | 1,553,000                  | -                  | 1,553,000        | 1,561,903        |
| Auditing and accounting                       | 17,000                     | 1,500              | 18,500           | 18,016           |
| <b>Total Water</b>                            | <b>5,389,500</b>           | <b>(337,277)</b>   | <b>5,052,223</b> | <b>5,360,969</b> |

| <b>Variance</b>    | <b>2022<br/>Actual</b> |
|--------------------|------------------------|
| \$ (58,690)        | \$ 726,481             |
| 505                | 39,780                 |
| (4,452)            | 58,619                 |
| (53,493)           | (8,207)                |
| 1,098              | 121,520                |
| 787                | 10,284                 |
| 21,058             | 20,013                 |
| (45,170)           | 83,769                 |
| (608)              | -                      |
| (53,344)           | 50,622                 |
| <br>(14,077)       | 100,696                |
| (489)              | 24,526                 |
| 938                | 7,663                  |
| 3,188              | 9,690                  |
| (980,773)          | 7,066,851              |
| 8,556              | 11,804                 |
| 3,754              | 13,796                 |
| 2,451              | 15,882                 |
| 481                | 15,335                 |
| <u>(1,168,280)</u> | <u>8,369,124</u>       |
| <br>(147,299)      | 493,135                |
| 505                | 29,041                 |
| (5,635)            | 40,416                 |
| (43,269)           | (5,654)                |
| 75                 | 109,894                |
| (1,925)            | 9,383                  |
| 13,517             | 18,761                 |
| (1,690)            | 17,700                 |
| (40,270)           | 143,765                |
| 1,252              | 13,180                 |
| (71,906)           | -                      |
| (163)              | 139,527                |
| (4,336)            | 66,327                 |
| 1,266              | 4,076                  |
| 2,829              | 19,719                 |
| 3,013              | 463,268                |
| (5,582)            | 1,642,041              |
| (6,913)            | 29,821                 |
| 2,754              | 13,796                 |
| 3,450              | 15,883                 |
| (8,903)            | 1,561,903              |
| 484                | 15,333                 |
| <u>(308,746)</u>   | <u>4,841,315</u>       |

**CITY OF LIVINGSTON, TEXAS**  
**ENTERPRISE FUND**  
**SCHEDULE OF EXPENSES BY DEPARTMENT - COMPARED TO BUDGET**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2023**  
**WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED SEPTEMBER 30, 2022**

|                                | <b>2023</b>                |                       |                      |                      |
|--------------------------------|----------------------------|-----------------------|----------------------|----------------------|
|                                | <b>Original<br/>Budget</b> | <b>Revisions</b>      | <b>Final</b>         | <b>Actual</b>        |
| SEWER DEPARTMENT               |                            |                       |                      |                      |
| Salaries                       | 297,000                    | (28,857)              | 268,143              | 258,283              |
| Salaries, administration       | 46,000                     | 2,870                 | 48,870               | 48,406               |
| Social Security                | 24,000                     | 252                   | 24,252               | 23,976               |
| Retirement                     | 51,000                     | (658)                 | 50,342               | 67,609               |
| Employee insurance             | 60,000                     | 4,154                 | 64,154               | 51,882               |
| Uniform rental                 | 8,000                      | (2,700)               | 5,300                | 6,669                |
| Insurance and bonds            | 22,000                     | -                     | 22,000               | 4,848                |
| Lab fees-engineering           | 22,000                     | -                     | 22,000               | 31,930               |
| Supplies                       | 75,000                     | -                     | 75,000               | 113,045              |
| Chemicals                      | 27,000                     | -                     | 27,000               | 28,310               |
| Legal/professional             | 10,000                     | (7,500)               | 2,500                | 4,587                |
| Repairs-equipment              | 130,000                    | 70,000                | 200,000              | 227,898              |
| Equipment rental               | -                          | -                     | -                    | 900                  |
| Repairs-building and grounds   | 50,000                     | (25,000)              | 25,000               | 78,096               |
| Gas and oil                    | 15,000                     | (6,500)               | 8,500                | 8,294                |
| Dues and subscriptions         | 15,000                     | -                     | 15,000               | 12,910               |
| Transportation and contingency | 68,000                     | 2,050                 | 70,050               | 66,320               |
| Utilities and telephone        | 47,000                     | -                     | 47,000               | 46,937               |
| Total Sewer                    | <u>967,000</u>             | <u>8,111</u>          | <u>975,111</u>       | <u>1,080,900</u>     |
| TOTAL ENTERPRISE FUND          |                            |                       |                      |                      |
| DEPARTMENT EXPENDITURES        | <u>\$ 19,166,500</u>       | <u>\$ (4,488,178)</u> | <u>\$ 14,678,322</u> | <u>\$ 16,261,137</u> |

| <b>Variance</b>           | <b>2022<br/>Actual</b>   |
|---------------------------|--------------------------|
| 9,860                     | 323,071                  |
| 464                       | 27,582                   |
| 276                       | 27,258                   |
| (17,267)                  | (3,650)                  |
| 12,272                    | 56,852                   |
| (1,369)                   | 5,287                    |
| 17,152                    | 5,728                    |
| (9,930)                   | 18,124                   |
| (38,045)                  | 66,971                   |
| (1,310)                   | 21,697                   |
| (2,087)                   | 7,958                    |
| (27,898)                  | 156,891                  |
| (900)                     | -                        |
| (53,096)                  | 22,042                   |
| 206                       | 9,129                    |
| 2,090                     | 13,354                   |
| 3,730                     | 65,777                   |
| 63                        | 46,234                   |
| <u>(105,789)</u>          | <u>870,305</u>           |
| <br><u>\$ (1,582,815)</u> | <br><u>\$ 14,080,744</u> |

## **STATISTICAL SECTION**

## **FINANCIAL TRENDS**

**These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.**

**TABLE A-1**

**CITY OF LIVINGSTON, TEXAS**  
**NET POSITION BY COMPONENT**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**

|   | <b>Fiscal Year</b>          |                             |                             |
|---|-----------------------------|-----------------------------|-----------------------------|
|   | <b>2014</b>                 | <b>2015</b>                 | <b>2016</b>                 |
| Governmental activities                     |                             |                             |                             |
| Net investment in capital assets            | \$ 2,964,659                | \$ 4,437,694                | \$ 4,740,690                |
| Restricted                                  | 12,825                      | 6,523                       | 13,362                      |
| Unrestricted                                | <u>1,270,906</u>            | <u>(217,812)</u>            | <u>618,282</u>              |
| Total governmental activities net position  | <u><u>\$ 4,248,390</u></u>  | <u><u>\$ 4,226,405</u></u>  | <u><u>\$ 5,372,334</u></u>  |
| Business-type activities                    |                             |                             |                             |
| Net investment in capital assets            | \$ 20,254,016               | \$ 20,890,615               | \$ 21,350,643               |
| Restricted                                  | 111,356                     | 117,270                     | 123,885                     |
| Unrestricted                                | <u>6,620,642</u>            | <u>7,761,709</u>            | <u>12,609,642</u>           |
| Total business-type activities net position | <u><u>\$ 26,986,014</u></u> | <u><u>\$ 28,769,594</u></u> | <u><u>\$ 34,084,170</u></u> |
| Primary government                          |                             |                             |                             |
| Net investment in capital assets            | \$ 23,218,675               | \$ 25,328,309               | \$ 26,091,333               |
| Restricted                                  | 124,181                     | 123,793                     | 137,247                     |
| Unrestricted                                | <u>7,891,548</u>            | <u>7,543,897</u>            | <u>13,227,924</u>           |
| Total primary government net position       | <u><u>\$ 31,234,404</u></u> | <u><u>\$ 32,995,999</u></u> | <u><u>\$ 39,456,504</u></u> |

**TABLE A-1**

| <b>Fiscal Year</b>                     |  |  |  |  |  |  |
|--|--|--|--|--|--|--|
| <b>2017</b>                            | <b>2018</b>                            | <b>2019</b>                            | <b>2020</b>                            | <b>2021</b>                              | <b>2022</b>                              | <b>2023</b>                              |
| \$ 5,464,673<br>14,443<br>(534,353)    | \$ 5,626,496<br>9,848<br>51,562        | \$ 5,921,989<br>6,430<br>(65,999)      | \$ 10,946,446<br>-<br>388,210          | \$ 10,451,397<br>-<br>2,012,958          | \$ 10,195,637<br>30,202<br>3,590,970     | \$ 10,050,256<br>36,410<br>5,183,111     |
| <u>\$ 4,944,763</u>                    | <u>\$ 5,687,906</u>                    | <u>\$ 5,862,420</u>                    | <u>\$ 11,334,656</u>                   | <u>\$ 12,464,355</u>                     | <u>\$ 13,816,809</u>                     | <u>\$ 15,269,777</u>                     |
| \$ 21,913,595<br>472,253<br>16,596,760 | \$ 21,927,012<br>797,893<br>17,703,779 | \$ 22,730,912<br>509,084<br>22,642,267 | \$ 25,785,660<br>487,332<br>18,658,580 | \$ 26,260,831<br>1,117,576<br>22,667,326 | \$ 30,787,074<br>1,731,648<br>29,307,853 | \$ 34,762,348<br>1,020,633<br>34,012,032 |
| <u>\$ 38,982,608</u>                   | <u>\$ 40,428,684</u>                   | <u>\$ 45,882,263</u>                   | <u>\$ 44,931,572</u>                   | <u>\$ 50,045,733</u>                     | <u>\$ 61,826,575</u>                     | <u>\$ 69,795,013</u>                     |
| \$ 27,378,268<br>486,696<br>16,062,407 | \$ 27,553,508<br>807,741<br>17,755,341 | \$ 28,652,901<br>515,514<br>22,576,268 | \$ 36,732,106<br>487,332<br>19,046,790 | \$ 36,712,228<br>1,117,576<br>24,680,284 | \$ 40,982,711<br>1,761,850<br>32,898,823 | \$ 44,812,604<br>1,057,043<br>39,195,143 |
| <u>\$ 43,927,371</u>                   | <u>\$ 46,116,590</u>                   | <u>\$ 51,744,683</u>                   | <u>\$ 56,266,228</u>                   | <u>\$ 62,510,088</u>                     | <u>\$ 75,643,384</u>                     | <u>\$ 85,064,790</u>                     |

TABLE A-2

**CITY OF LIVINGSTON, TEXAS**  
**CHANGES IN NET POSITION**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**

|   | <b>Fiscal Year</b>  |                     |                     |                     |                     |                     |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
|   | <b>2014</b>         | <b>2015</b>         | <b>2016</b>         | <b>2017</b>         | <b>2018</b>         | <b>2019</b>         |
| <b>Expenses</b>   |                     |                     |                     |                     |                     |                     |
| Governmental activities:                                  |                     |                     |                     |                     |                     |                     |
| Administrative  | \$ 628,524          | \$ 629,168          | \$ 697,407          | \$ 649,067          | \$ 546,294          | \$ 624,090          |
| Sanitation  | 705,207             | 701,377             | 701,452             | 740,246             | 764,143             | 812,677             |
| Fire  | 429,642             | 431,539             | 473,390             | 480,753             | 510,309             | 547,489             |
| Police  | 1,912,194           | 1,992,910           | 2,171,640           | 2,259,591           | 2,269,710           | 2,545,281           |
| Paving and street   | 993,905             | 1,082,684           | 1,356,218           | 1,238,574           | 1,335,446           | 1,276,557           |
| Parks and recreation                                      | 947,878             | 1,060,084           | 1,061,374           | 1,101,262           | 1,113,057           | 1,183,383           |
| Library   | 448,499             | 476,226             | 515,985             | 511,324             | 519,798             | 554,824             |
| Garage  | 218,840             | 217,587             | 234,349             | 240,257             | 255,314             | 285,713             |
| Interest on long-term debt                                | 325,625             | 278,500             | 252,050             | 225,050             | 197,100             | 188,100             |
| Total governmental activities expense                     | <u>6,610,314</u>    | <u>6,870,075</u>    | <u>7,463,865</u>    | <u>7,446,124</u>    | <u>7,511,171</u>    | <u>8,018,114</u>    |
| Business-type activities:                                 |                     |                     |                     |                     |                     |                     |
| Electric, water and sewer                                 | 14,519,484          | 14,628,936          | 14,721,612          | 14,772,164          | 15,082,355          | 15,808,351          |
| Total business-type activities expenses                   | <u>14,519,484</u>   | <u>14,628,936</u>   | <u>14,721,612</u>   | <u>14,772,164</u>   | <u>15,082,355</u>   | <u>15,808,351</u>   |
| Total primary government expenses                         | <u>21,129,798</u>   | <u>21,499,011</u>   | <u>22,185,477</u>   | <u>22,218,288</u>   | <u>22,593,526</u>   | <u>23,826,465</u>   |
| <b>Program Revenues</b>                                   |                     |                     |                     |                     |                     |                     |
| Governmental activities:                                  |                     |                     |                     |                     |                     |                     |
| Charges for services                                      |                     |                     |                     |                     |                     |                     |
| Administrative  | 101,595             | 92,722              | 91,839              | 142,640             | 92,630              | 132,723             |
| Sanitation  | 1,038,218           | 1,041,025           | 1,102,931           | 1,215,053           | 1,213,940           | 1,230,181           |
| Police  | 275,621             | 294,900             | 315,638             | 347,779             | 359,665             | 406,947             |
| Paving and street   | 11,485              | 4,156               | 2,219               | -                   | 27,146              | 908                 |
| Parks and recreation                                      | 192,800             | 331,809             | 186,002             | 191,187             | 191,412             | 179,350             |
| Library   | 23,829              | 32,866              | 18,130              | 19,163              | 21,062              | 21,785              |
| Operating grants and contributions                        | 60,484              | 86,898              | 142,999             | 69,403              | 64,384              | 80,759              |
| Capital grants and contributions                          | -                   | 219,600             | 52,350              | 3,050               | -                   | -                   |
| Total governmental activities program revenues            | <u>1,704,032</u>    | <u>2,103,976</u>    | <u>1,912,108</u>    | <u>1,988,275</u>    | <u>1,970,239</u>    | <u>2,052,653</u>    |
| Business-type activities:                                 |                     |                     |                     |                     |                     |                     |
| Charges for services                                      |                     |                     |                     |                     |                     |                     |
| Electric, water and sewer                                 | 17,055,406          | 19,551,817          | 22,691,589          | 20,484,503          | 18,444,719          | 23,007,770          |
| Capital grants and contributions                          | -                   | -                   | -                   | -                   | -                   | -                   |
| Total business-type activities program revenues           | <u>17,055,406</u>   | <u>19,551,817</u>   | <u>22,691,589</u>   | <u>20,484,503</u>   | <u>18,444,719</u>   | <u>23,007,770</u>   |
| Total primary government program revenues                 | <u>18,759,438</u>   | <u>21,655,793</u>   | <u>24,603,697</u>   | <u>22,472,778</u>   | <u>20,414,958</u>   | <u>25,060,423</u>   |
| Net (Expense) Revenues                                    |                     |                     |                     |                     |                     |                     |
| Governmental activities                                   | (4,906,282)         | (4,766,099)         | (5,551,757)         | (5,457,849)         | (5,540,932)         | (5,965,461)         |
| Business-type activities                                  | 2,535,922           | 4,922,881           | 7,969,977           | 5,712,339           | 3,362,364           | 7,199,419           |
| Total primary government program net expense              | <u>(2,370,360)</u>  | <u>156,782</u>      | <u>2,418,220</u>    | <u>254,490</u>      | <u>(2,178,568)</u>  | <u>1,233,958</u>    |
| <b>General Revenues and Other Changes in Net Position</b> |                     |                     |                     |                     |                     |                     |
| Governmental activities:                                  |                     |                     |                     |                     |                     |                     |
| Taxes   |                     |                     |                     |                     |                     |                     |
| Sales taxes   | 3,431,399           | 3,488,475           | 3,597,499           | 3,759,664           | 4,055,937           | 3,888,574           |
| Franchise taxes   | 135,253             | 142,040             | 136,844             | 128,601             | 115,006             | 132,500             |
| Hotel/Motel taxes   | 318,487             | 297,152             | 296,831             | 316,075             | 362,937             | 352,302             |
| Investment earnings                                       | 3,918               | 3,389               | 2,926               | 3,382               | 4,303               | 6,525               |
| Transfers   | 406,434             | 2,347,835           | 2,663,586           | 822,556             | 1,925,344           | 1,760,074           |
| Total governmental activities                             | <u>4,295,491</u>    | <u>6,278,891</u>    | <u>6,697,686</u>    | <u>5,030,278</u>    | <u>6,463,527</u>    | <u>6,139,975</u>    |
| Business-type activities:                                 |                     |                     |                     |                     |                     |                     |
| Investment earnings                                       | 12,351              | 8,930               | 8,185               | 8,655               | 9,056               | 14,234              |
| Special item - assets received                            | -                   | -                   | -                   | -                   | -                   | -                   |
| Transfers   | (406,434)           | (2,347,835)         | (2,663,586)         | (822,556)           | (1,925,344)         | (1,760,074)         |
| Total business-type activities                            | <u>(394,083)</u>    | <u>(2,338,905)</u>  | <u>(2,655,401)</u>  | <u>(813,901)</u>    | <u>(1,916,288)</u>  | <u>(1,745,840)</u>  |
| Total primary government                                  | <u>3,901,408</u>    | <u>3,939,986</u>    | <u>4,042,285</u>    | <u>4,216,377</u>    | <u>4,547,239</u>    | <u>4,394,135</u>    |
| <b>Changes in Net Position</b>                            |                     |                     |                     |                     |                     |                     |
| Governmental activities                                   | (610,791)           | 1,512,792           | 1,145,929           | (427,571)           | 922,595             | 174,514             |
| Business-type activities                                  | 2,141,839           | 2,583,976           | 5,314,576           | 4,898,438           | 1,446,076           | 5,453,579           |
| Total primary government                                  | <u>\$ 1,531,048</u> | <u>\$ 4,096,768</u> | <u>\$ 6,460,505</u> | <u>\$ 4,470,867</u> | <u>\$ 2,368,671</u> | <u>\$ 5,628,093</u> |

TABLE A-2

|                     | <b>2020</b>         | <b>2021</b>          | <b>2022</b>         | <b>2023</b> |
|---------------------|---------------------|----------------------|---------------------|-------------|
| \$                  | 612,710             | \$ 608,012           | \$ 624,095          | \$ 703,695  |
| 806,598             | 839,771             | 971,774              | 1,093,109           |             |
| 605,842             | 615,684             | 662,911              | 655,920             |             |
| 2,542,525           | 2,544,742           | 2,466,594            | 3,278,120           |             |
| 1,322,083           | 1,358,565           | 1,332,002            | 1,635,698           |             |
| 1,126,189           | 1,173,597           | 1,237,130            | 1,301,892           |             |
| 536,713             | 505,850             | 550,599              | 655,649             |             |
| 307,729             | 305,285             | 343,438              | 442,837             |             |
| <u>52,010</u>       | <u>-</u>            | <u>-</u>             | <u>-</u>            |             |
| <u>7,912,399</u>    | <u>7,951,506</u>    | <u>8,188,543</u>     | <u>9,766,920</u>    |             |
| <u>16,238,727</u>   | <u>16,209,267</u>   | <u>14,777,779</u>    | <u>17,073,521</u>   |             |
| <u>16,238,727</u>   | <u>16,209,267</u>   | <u>14,777,779</u>    | <u>17,073,521</u>   |             |
| <u>24,151,126</u>   | <u>24,160,773</u>   | <u>22,966,322</u>    | <u>26,840,441</u>   |             |
| <br>                | <br>                | <br>                 | <br>                |             |
| 123,113             | 893,750             | 186,934              | 225,022             |             |
| 1,255,418           | 1,329,946           | 1,331,928            | 1,417,853           |             |
| 325,262             | 509,371             | 536,637              | 499,764             |             |
| 48,734              | 4,082               | 3,853                | 14,186              |             |
| 177,266             | 143,063             | 215,809              | 128,316             |             |
| 15,985              | 17,357              | 13,583               | 21,677              |             |
| 80,802              | 327,722             | 91,630               | 93,221              |             |
| <u>-</u>            | <u>-</u>            | <u>-</u>             | <u>14,250</u>       |             |
| <u>2,026,580</u>    | <u>3,225,291</u>    | <u>2,380,374</u>     | <u>2,414,289</u>    |             |
| <br>                | <br>                | <br>                 | <br>                |             |
| 21,942,905          | 22,032,797          | 24,286,269           | 25,762,975          |             |
| <u>-</u>            | <u>-</u>            | <u>-</u>             | <u>863,891</u>      |             |
| <u>21,942,905</u>   | <u>22,032,797</u>   | <u>24,286,269</u>    | <u>26,626,866</u>   |             |
| <u>23,969,485</u>   | <u>25,258,088</u>   | <u>26,666,643</u>    | <u>29,041,155</u>   |             |
| <br>                | <br>                | <br>                 | <br>                |             |
| (5,885,819)         | (4,726,215)         | (5,808,169)          | (7,352,631)         |             |
| 5,704,178           | 5,823,530           | 9,508,490            | 9,553,345           |             |
| <u>(181,641)</u>    | <u>1,097,315</u>    | <u>3,700,321</u>     | <u>2,200,714</u>    |             |
| <br>                | <br>                | <br>                 | <br>                |             |
| 4,188,740           | 4,667,079           | 5,209,435            | 5,505,516           |             |
| 140,748             | 134,243             | 118,774              | 161,274             |             |
| 333,924             | 333,636             | 337,814              | 350,045             |             |
| 4,872               | 2,466               | 4,305                | 29,694              |             |
| <u>6,689,771</u>    | <u>718,490</u>      | <u>1,490,295</u>     | <u>2,759,070</u>    |             |
| <u>11,358,055</u>   | <u>5,855,914</u>    | <u>7,160,623</u>     | <u>8,805,599</u>    |             |
| <br>                | <br>                | <br>                 | <br>                |             |
| 34,902              | 9,121               | 110,498              | 1,174,163           |             |
| <u>-</u>            | <u>-</u>            | <u>3,652,149</u>     | <u>-</u>            |             |
| <u>(6,689,771)</u>  | <u>(718,490)</u>    | <u>(1,490,295)</u>   | <u>(2,759,070)</u>  |             |
| <u>(6,654,869)</u>  | <u>(709,369)</u>    | <u>2,272,352</u>     | <u>(1,584,907)</u>  |             |
| <u>4,703,186</u>    | <u>5,146,545</u>    | <u>9,432,975</u>     | <u>7,220,692</u>    |             |
| <br>                | <br>                | <br>                 | <br>                |             |
| 5,472,236           | 1,129,699           | 1,352,454            | 1,452,968           |             |
| (950,691)           | 5,114,161           | 11,780,842           | 7,968,438           |             |
| <u>\$ 4,521,545</u> | <u>\$ 6,243,860</u> | <u>\$ 13,133,296</u> | <u>\$ 9,421,406</u> |             |

**TABLE A-3**

**CITY OF LIVINGSTON, TEXAS**  
**FUND BALANCES GOVERNMENTAL FUNDS**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**

|                                    | <b>Fiscal Year</b>         |                            |                            |                            |
|------------------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
|                                    | <b>2014</b>                | <b>2015</b>                | <b>2016</b>                | <b>2017</b>                |
| General Fund                       |                            |                            |                            |                            |
| Restricted                         | \$ 296                     | \$ 2,421                   | \$ 1,419                   | \$ 14,497                  |
| Unassigned                         | <u>1,270,609</u>           | <u>1,231,446</u>           | <u>2,372,108</u>           | <u>1,356,179</u>           |
| Total General Fund                 | <u><u>\$ 1,270,905</u></u> | <u><u>\$ 1,233,867</u></u> | <u><u>\$ 2,373,527</u></u> | <u><u>\$ 1,370,676</u></u> |
| All Other Governmental Funds       |                            |                            |                            |                            |
| Restricted                         |                            |                            |                            |                            |
| Debt Service Fund                  | \$ 12,825                  | \$ 6,523                   | \$ 13,362                  | \$ 14,443                  |
| Capital Projects Fund              | <u>833,076</u>             | <u>507,620</u>             | -                          | -                          |
| Total all other governmental funds | <u><u>\$ 845,901</u></u>   | <u><u>\$ 514,143</u></u>   | <u><u>\$ 13,362</u></u>    | <u><u>\$ 14,443</u></u>    |

A. All outstanding bonds were redeemed in 2020 which terminated the requirement for the Debt Service Fund.

**TABLE A-3**

| <b>Fiscal Year</b>  |                     |                     |                     |                     |                     |
|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| <b>2018</b>         | <b>2019</b>         | <b>2020</b>         | <b>2021</b>         | <b>2022</b>         | <b>2023</b>         |
| \$ 13,475           | \$ 16,029           | \$ 10,822           | \$ 27,595           | \$ 30,202           | \$ 36,410           |
| <u>1,946,866</u>    | <u>1,969,614</u>    | <u>2,539,274</u>    | <u>3,886,882</u>    | <u>5,012,981</u>    | <u>6,894,941</u>    |
| <u>\$ 1,960,341</u> | <u>\$ 1,985,643</u> | <u>\$ 2,550,096</u> | <u>\$ 3,914,477</u> | <u>\$ 5,043,183</u> | <u>\$ 6,931,351</u> |
| <br>                | <br>                | <br>                | <br>                | <br>                | <br>                |
| \$ 9,848            | \$ 6,430            | \$ -                | A. \$ -             | \$ -                | \$ -                |
| <u>-</u>            | <u>-</u>            | <u>-</u>            | <u>-</u>            | <u>-</u>            | <u>-</u>            |
| <u>\$ 9,848</u>     | <u>\$ 6,430</u>     | <u>\$ -</u>         | <u>\$ -</u>         | <u>\$ -</u>         | <u>\$ -</u>         |

TABLE A-4

**CITY OF LIVINGSTON, TEXAS**  
**CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**

|  | <b>Fiscal Year</b>    |                     |                    |                       |
|--|-----------------------|---------------------|--------------------|-----------------------|
|  | <b>2014</b>           | <b>2015</b>         | <b>2016</b>        | <b>2017</b>           |
| <b>Revenues</b>  |                       |                     |                    |                       |
| Taxes  | \$ 3,885,139          | \$ 3,927,667        | \$ 4,031,174       | \$ 4,204,340          |
| Licenses and permits                                       | 78,737                | 66,122              | 61,394             | 108,801               |
| Charges for service  | 1,311,551             | 1,290,760           | 1,357,043          | 1,436,597             |
| Fines and forfeitures                                      | 261,363               | 280,259             | 298,337            | 324,687               |
| Miscellaneous  | <u>88,191</u>         | <u>430,104</u>      | <u>190,184</u>     | <u>126,335</u>        |
| Total Revenues   | <u>5,624,981</u>      | <u>5,994,912</u>    | <u>5,938,132</u>   | <u>6,200,760</u>      |
| <b>Expenditures</b>  |                       |                     |                    |                       |
| Administrative   | 569,230               | 590,106             | 584,639            | 579,236               |
| Sanitation   | 705,087               | 701,257             | 701,332            | 740,126               |
| Fire   | 393,104               | 396,935             | 420,082            | 429,930               |
| Police   | 1,802,083             | 1,882,425           | 1,912,124          | 2,059,888             |
| Paving and street  | 486,078               | 536,667             | 533,445            | 591,772               |
| Parks and recreation                                       | 802,039               | 933,864             | 885,012            | 931,813               |
| Library  | 335,764               | 350,494             | 365,558            | 370,697               |
| Garage   | 198,707               | 201,151             | 204,859            | 219,323               |
| Capital outlay   | 1,498,439             | 1,820,144           | 1,063,738          | 807,251               |
| Debt service   |                       |                     |                    |                       |
| Interest   | 366,800               | 278,500             | 252,050            | 225,050               |
| Principal  | <u>990,000</u>        | <u>1,020,000</u>    | <u>1,040,000</u>   | <u>1,070,000</u>      |
| Total Expenditures   | <u>8,147,331</u>      | <u>8,711,543</u>    | <u>7,962,839</u>   | <u>8,025,086</u>      |
| Excess of revenues over<br>(under) expenditures            | (2,522,350)           | (2,716,631)         | (2,024,707)        | (1,824,326)           |
| <b>Other Financing Sources</b>                             |                       |                     |                    |                       |
| <b>(Uses)</b>  |                       |                     |                    |                       |
| Transfers in   | 3,276,767             | 3,638,885           | 4,457,253          | 2,117,649             |
| Transfers out  | <u>(2,870,333)</u>    | <u>(1,291,050)</u>  | <u>(1,793,667)</u> | <u>(1,295,093)</u>    |
| Total other financing sources                              | <u>406,434</u>        | <u>2,347,835</u>    | <u>2,663,586</u>   | <u>822,556</u>        |
| Net change in fund balances                                | <u>\$ (2,115,916)</u> | <u>\$ (368,796)</u> | <u>\$ 638,879</u>  | <u>\$ (1,001,770)</u> |
| Debt service as a percentage of<br>noncapital expenditures | 20.4%                 | 18.8%               | 18.7%              | 17.9%                 |

TABLE A-4

| Fiscal Year       |                  |                   |                     |                     |                     |
|-------------------|------------------|-------------------|---------------------|---------------------|---------------------|
| <b>2018</b>       | <b>2019</b>      | <b>2020</b>       | <b>2021</b>         | <b>2022</b>         | <b>2023</b>         |
| \$ 4,533,880      | \$ 4,373,376     | \$ 4,663,412      | \$ 5,134,958        | \$ 5,666,023        | \$ 6,016,835        |
| 62,259            | 104,453          | 90,198            | 150,646             | 122,927             | 162,304             |
| 1,440,739         | 1,426,243        | 1,402,317         | 1,510,650           | 1,590,221           | 1,601,841           |
| 370,040           | 360,926          | 340,150           | 491,009             | 483,046             | 499,035             |
| 21,089            | 174,036          | 206,356           | 1,112,374           | 220,709             | 181,391             |
| <u>6,428,007</u>  | <u>6,439,034</u> | <u>6,702,433</u>  | <u>8,399,637</u>    | <u>8,082,926</u>    | <u>8,461,406</u>    |
| 489,166           | 552,891          | 556,405           | 561,194             | 619,238             | 622,830             |
| 764,023           | 812,556          | 806,478           | 839,651             | 971,533             | 1,092,989           |
| 470,361           | 469,002          | 529,813           | 561,607             | 631,011             | 566,367             |
| 2,182,844         | 2,310,261        | 2,327,817         | 2,497,742           | 2,540,886           | 2,976,726           |
| 682,258           | 578,273          | 630,545           | 674,615             | 701,327             | 951,224             |
| 961,081           | 969,930          | 951,965           | 1,056,019           | 1,172,318           | 1,113,308           |
| 395,713           | 409,877          | 394,764           | 391,171             | 456,095             | 501,573             |
| 247,642           | 264,100          | 273,463           | 281,054             | 338,261             | 388,679             |
| 838,093           | 1,402,234        | 830,921           | 890,693             | 1,013,846           | 1,118,612           |
| 197,100           | 188,100          | 52,010            | -                   | -                   | -                   |
| <u>540,000</u>    | <u>220,000</u>   | <u>5,480,000</u>  | <u>-</u>            | <u>-</u>            | <u>-</u>            |
| <u>7,768,281</u>  | <u>8,177,224</u> | <u>12,834,181</u> | <u>7,753,746</u>    | <u>8,444,515</u>    | <u>9,332,308</u>    |
| (1,340,274)       | (1,738,190)      | (6,131,748)       | 645,891             | (361,589)           | (870,902)           |
| 2,657,288         | 2,164,381        | 6,689,771         | 718,490             | 1,490,295           | 2,759,070           |
| (731,944)         | (404,307)        | -                 | -                   | -                   | -                   |
| <u>1,925,344</u>  | <u>1,760,074</u> | <u>6,689,771</u>  | <u>718,490</u>      | <u>1,490,295</u>    | <u>2,759,070</u>    |
| <u>\$ 585,070</u> | <u>\$ 21,884</u> | <u>\$ 558,023</u> | <u>\$ 1,364,381</u> | <u>\$ 1,128,706</u> | <u>\$ 1,888,168</u> |
| 10.6%             | 6.0%             | 46.1%             | 0.0%                | 0.0%                | 0.0%                |

## **REVENUE CAPACITY**

**These schedules contain information to help the reader assess the City's most available local revenue sources, property tax, sales tax, and electrical, water and sewer revenues.**

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**CITY OF LIVINGSTON, TEXAS**  
**ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY**  
**Last Ten Fiscal Years**

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| <b>Tax Year</b> | <b>Real Property (1)</b>  |                                   | <b>Personal (1)</b><br><b>Assessed<br/>Value</b> |
|-----------------|---------------------------|-----------------------------------|--|
|                 | <b>Assessed<br/>Value</b> | <b>Estimated<br/>Actual Value</b> |  |
| 2013            | 426,618,926               | 426,618,926                       | 56,419,925                                       |
| 2014            | 430,245,544               | 430,245,544                       | 57,118,833                                       |
| 2015            | 433,212,953               | 433,212,953                       | 64,160,968                                       |
| 2016            | 448,000,838               | 448,000,838                       | 60,225,314                                       |
| 2017            | 459,769,932               | 459,769,932                       | 62,424,297                                       |
| 2018            | 480,902,271               | 480,902,271                       | 59,874,367                                       |
| 2019            | 502,633,542               | 502,633,542                       | 58,985,787                                       |
| 2020            | 508,573,553               | 508,573,553                       | 60,371,906                                       |
| 2021            | 510,866,226               | 510,866,226                       | 70,068,904                                       |
| 2022            | 517,945,169               | 517,945,169                       | 80,765,392                                       |

(1) Information was provided by the Polk Central Appraisal District.

**TABLE B-1**

| <b>Personal (1)<br/>Estimated<br/>Actual Value</b> | <b>Total Property</b>     |                                   | <b>Ratio of Total<br/>Assessed to<br/>Total<br/>Estimated<br/>Actual Value</b> | <b>Total<br/>Direct Rate<br/>Applied</b> |
|--|---------------------------|-----------------------------------|--|--|
|  | <b>Assessed<br/>Value</b> | <b>Estimated<br/>Actual Value</b> |  |  |
| 56,419,925   | 483,038,851               | 483,038,851                       | 100%   | 0%                                       |
| 57,118,833   | 487,364,377               | 487,364,377                       | 100%   | 0%                                       |
| 64,160,968   | 497,373,921               | 497,373,921                       | 100%   | 0%                                       |
| 60,225,314   | 508,226,152               | 508,226,152                       | 100%   | 0%                                       |
| 62,424,297   | 522,194,229               | 522,194,229                       | 100%   | 0%                                       |
| 59,874,367   | 540,776,638               | 540,776,638                       | 100%   | 0%                                       |
| 58,985,787   | 561,619,329               | 561,619,329                       | 100%   | 0%                                       |
| 60,371,906   | 568,945,459               | 568,945,459                       | 100%   | 0%                                       |
| 70,068,904   | 580,935,130               | 580,935,130                       | 100%   | 0%                                       |
| 80,765,392   | 598,710,561               | 598,710,561                       | 100%   | 0%                                       |

**TABLE B-2**

**CITY OF LIVINGSTON, TEXAS**  
**PROPERTY TAX RATES AND TAX LEVIES - DIRECT AND OVERLAPPING GOVERNMENTS**  
**Last Ten Fiscal Years**  
**(1)**

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**TAX RATES PER \$100 ASSESSED VALUATION  
(DIRECT AND OVERLAPPING)**

| <b>County<br/>Fiscal Year</b> | <b>City<br/>General Fund</b> | <b>School<br/>District</b> | <b>County</b> | <b>Total</b> |
|-------------------------------|------------------------------|----------------------------|---------------|--------------|
| 2013                          | .00                          | 1.3950                     | 0.6461        | 2.0411       |
| 2014                          | .00                          | 1.3950                     | 0.6461        | 2.0411       |
| 2015                          | .00                          | 1.3900                     | 0.6461        | 2.0361       |
| 2016                          | .00                          | 1.3900                     | 0.6461        | 2.0361       |
| 2017                          | .00                          | 1.3900                     | 0.6461        | 2.0361       |
| 2018                          | .00                          | 1.3900                     | 0.6461        | 2.0361       |
| 2019                          | .00                          | 1.3233                     | 0.6461        | 1.9694       |
| 2020                          | .00                          | 1.3097                     | 0.6461        | 1.9558       |
| 2021                          | .00                          | 1.2369                     | 0.6376        | 1.8745       |
| 2022                          | .00                          | 1.1320                     | 0.6100        | 1.7420       |

| <b>County<br/>Fiscal Year</b> | <b>City<br/>General Fund</b> | <b>School<br/>District</b> | <b>County</b> | <b>Total</b> |
|-------------------------------|------------------------------|----------------------------|---------------|--------------|
| 2013                          | -                            | 19,422,286                 | 18,472,325    | 37,894,611   |
| 2014                          | -                            | 19,859,301                 | 18,851,462    | 38,710,763   |
| 2015                          | -                            | 20,316,019                 | 18,956,761    | 39,272,780   |
| 2016                          | -                            | 21,532,466                 | 20,362,629    | 41,895,095   |
| 2017                          | -                            | 19,697,126                 | 18,171,100    | 37,868,226   |
| 2018                          | -                            | 22,841,226                 | 21,980,245    | 44,821,471   |
| 2019                          | -                            | 23,274,178                 | 21,977,735    | 45,251,913   |
| 2020                          | -                            | 25,511,222                 | 19,386,927    | 44,898,149   |
| 2021                          | -                            | 38,756,821                 | 19,751,273    | 58,508,094   |
| 2022                          | -                            | 25,242,757                 | 28,288,924    | 53,531,681   |

**Tax Rate Limitations:** General Law City with a maximum authorized tax rate of \$1.50 for all purposes, imposed by Texas Constitution.

**Tax Payment Data:** Taxes are due October 1; Delinquent after January 31. No discounts allowed for early payment.

**Tax Collection Data:** Tax statements on current tax mailed October 1; second notice on unpaid current tax mailed on January 1. Delinquent notices mailed to all taxpayers once annually.

(1) All information in this schedule was provided by the Polk County Tax Assessor/Collector's office.

**TABLE B-3**

**CITY OF LIVINGSTON, TEXAS**  
**PRINCIPAL REVENUE PAYERS**  
**Current Year and Nine Years Ago**

| <b>TEN LARGEST ELECTRIC CUSTOMERS</b><br><b>FISCAL 2023 KILOWATT HOURS</b> |                       |             |                         | <b>TEN LARGEST ELECTRIC CUSTOMERS</b><br><b>FISCAL 2014 KILOWATT HOURS</b> |             |                         |  |
|--|-----------------------|-------------|-------------------------|--|-------------|-------------------------|--|
| <b>(*) Name</b>  | <b>Kilowatt Hours</b> | <b>Rank</b> | <b>Percent of Total</b> | <b>Kilowatt Hours</b>  | <b>Rank</b> | <b>Percent of Total</b> |  |
| Livingston Independent School Dist.  | 6,062,037             | 1           | 7.46%                   | 7,156,948  | 1           | 8.44%                   |  |
| Polk County  | 4,290,689             | 2           | 5.28%                   | 3,337,451  | 2           | 3.94%                   |  |
| HEB Pantry Foods   | 2,268,393             | 3           | 2.79%                   | 1,895,668  | 5           | 2.24%                   |  |
| Brookshire Brothers  | 2,023,598             | 4           | 2.49%                   | 2,263,319  | 4           | 2.67%                   |  |
| Lowe's Home Improvement  | 1,356,600             | 5           | 1.67%                   | 3,292,694  | 3           | 3.88%                   |  |
| Bradford at Brookside  | 904,800               | 6           | 1.11%                   | 1,144,170  | 6           | 1.35%                   |  |
| McDonalds  | 832,800               | 7           | 1.02%                   | 972,042  | 7           | 1.15%                   |  |
| Pine Ridge Healthcare Center   | 675,000               | 8           | 0.83%                   | -  | -           | 0.00%                   |  |
| Premier Auto Plex  | 639,666               | 9           | 0.79%                   | 827,169  | 8           | 0.98%                   |  |
| Burgerworks Texas  | 544,900               | 10          | 0.67%                   | -  | -           | 0.00%                   |  |
| First State Bank   | -                     | -           | 0.00%                   | 652,835  | 10          | 0.77%                   |  |
| Factory Stores of America  | -                     | -           | 0.00%                   | 771,060  | 9           | 0.91%                   |  |
|  | <u>19,598,483</u>     |             | <u>24.12%</u>           | <u>22,313,356</u>  |             | <u>26.31%</u>           |  |
| <b>TEN LARGEST WATER CUSTOMERS</b><br><b>FISCAL 2023 GALLONS USED</b>      |                       |             |                         | <b>TEN LARGEST WATER CUSTOMERS</b><br><b>FISCAL 2014 GALLONS USED</b>      |             |                         |  |
| <b>(*) Name</b>  | <b>Gallons Used</b>   | <b>Rank</b> | <b>Percent of Total</b> | <b>Gallons Used</b>  | <b>Rank</b> | <b>Percent of Total</b> |  |
| Texas Department of Criminal Just.   | 298,107,000           | 1           | 49.05%                  | 238,498,000  | 1           | 35.36%                  |  |
| IAH Detention Facility   | 19,915,000            | 2           | 3.28%                   | 29,814,000   | 2           | 4.42%                   |  |
| Livingston Independent School Dist.  | 10,784,000            | 3           | 1.77%                   | 11,823,000   | 4           | 1.75%                   |  |
| Pine Hill Apartments   | 7,149,000             | 4           | 1.18%                   | 5,534,000  | 6           | 0.82%                   |  |
| Polk County  | 7,055,000             | 5           | 1.16%                   | 8,061,000  | 5           | 1.20%                   |  |
| Pine Ridge Healthcare Center   | 5,606,000             | 6           | 0.92%                   | 2,886,000  | 9           | 0.43%                   |  |
| Camp Cho Yeh   | 5,201,000             | 7           | 0.86%                   | 4,986,000  | 7           | 0.74%                   |  |
| Bradford at Brookside  | 4,428,000             | 8           | 0.73%                   | 3,993,000  | 8           | 0.59%                   |  |
| First Methodist Church   | 3,984,000             | 9           | 0.66%                   | -  | -           | 0.00%                   |  |
| Memorial Medical Center  | 1,691,000             | 10          | 0.28%                   | 13,488,000   | 3           | 2.00%                   |  |
| LaQuinta   | -                     | -           | 0.00%                   | 2,397,000  | 10          | 0.36%                   |  |
|  | <u>363,920,000</u>    |             | <u>59.88%</u>           | <u>321,480,000</u>   |             | <u>47.66%</u>           |  |

**CITY OF LIVINGSTON, TEXAS**  
**PROPERTY TAX LEVIES AND COLLECTIONS**  
**Last Ten Fiscal Years**

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| <b>Fiscal Year</b> | <b>Total Tax Levy</b> | <b>Current Tax Collections</b> | <b>Percent of Levy Collected</b> | <b>Delinquent Tax Collections</b> | <b>Total Tax Collections</b> |
|--------------------|-----------------------|--------------------------------|----------------------------------|-----------------------------------|------------------------------|
| 2013-14            | N/A                   | N/A                            | N/A                              | -                                 | -                            |
| 2014-15            | N/A                   | N/A                            | N/A                              | -                                 | -                            |
| 2015-16            | N/A                   | N/A                            | N/A                              | -                                 | -                            |
| 2016-17            | N/A                   | N/A                            | N/A                              | -                                 | -                            |
| 2017-18            | N/A                   | N/A                            | N/A                              | -                                 | -                            |
| 2018-19            | N/A                   | N/A                            | N/A                              | -                                 | -                            |
| 2019-20            | N/A                   | N/A                            | N/A                              | -                                 | -                            |
| 2020-21            | N/A                   | N/A                            | N/A                              | -                                 | -                            |
| 2021-22            | N/A                   | N/A                            | N/A                              | -                                 | -                            |
| 2022-23            | N/A                   | N/A                            | N/A                              | -                                 | -                            |

\* City discontinued levying property taxes in fiscal 1989.

**TABLE B-4**

| <b>Total Collections as Percent of Current Levy</b> | <b>Adjustment</b> | <b>Outstanding Delinquent Taxes</b> | <b>Outstanding Delinquent as a Percent of Total Tax Levy</b> |
|---|-------------------|-------------------------------------|--|
| N/A   | -                 | -                                   | N/A  |
| N/A   | -                 | -                                   | N/A  |
| N/A   | -                 | -                                   | N/A  |
| N/A   | -                 | -                                   | N/A  |
| N/A   | -                 | -                                   | N/A  |
| N/A   | -                 | -                                   | N/A  |
| N/A   | -                 | -                                   | N/A  |
| N/A   | -                 | -                                   | N/A  |
| N/A   | -                 | -                                   | N/A  |
| N/A   | -                 | -                                   | N/A  |

**TABLE B-5**

**CITY OF LIVINGSTON, TEXAS**  
**TAXABLE SALES BY CATEGORY**  
**Last Ten Fiscal Years**

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|   | <b>Fiscal Year</b>          |                              |                              |                              |
|---|-----------------------------|------------------------------|------------------------------|------------------------------|
|   | <b>2013</b>                 | <b>2014</b>                  | <b>2015</b>                  | <b>2016</b>                  |
| Mining                                    | \$ -                        | \$ -                         | \$ -                         | \$ 5,892                     |
| Construction                              | 4,302,348                   | 4,357,712                    | 5,839,513                    | 2,828,797                    |
| Manufacturing                             | 6,711,331                   | 5,935,164                    | 7,437,680                    | 7,338,917                    |
| Transportation, communication,<br>utility | 231,890                     | 248,119                      | 229,389                      | 237,053                      |
| Wholesale Trade                           | 10,848,869                  | 10,046,996                   | 9,793,097                    | 6,611,068                    |
| Retail Trade                              | 142,313,890                 | 142,208,459                  | 124,622,403                  | 150,182,763                  |
| Finance, insurance, real estate           | 1,899,028                   | 2,013,205                    | 2,471,029                    | 2,353,850                    |
| Services and other                        | <u>38,727,778</u>           | <u>39,477,491</u>            | <u>43,277,048</u>            | <u>45,521,468</u>            |
| <b>Total</b>                              | <b><u>\$205,035,134</u></b> | <b><u>\$ 204,287,146</u></b> | <b><u>\$ 193,670,159</u></b> | <b><u>\$ 215,079,808</u></b> |

Source: State Comptroller's Office

**TABLE B-5**

| <b>Fiscal Year</b>           |                              |                              |                              |                              |                              |
|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
| <b>2017</b>                  | <b>2018</b>                  | <b>2019</b>                  | <b>2020</b>                  | <b>2021</b>                  | <b>2022</b>                  |
| \$ -                         | \$ -                         | \$ -                         | \$ -                         | \$ 17,511                    | \$ -                         |
| 3,368,703                    | 4,999,590                    | 3,857,243                    | 2,030,219                    | 4,446,381                    | 6,902,104                    |
| 7,838,552                    | 6,131,611                    | 5,057,706                    | 6,705,829                    | 9,670,676                    | 10,111,757                   |
| 257,023                      | 147,792                      | 266,008                      | 272,157                      | 269,763                      | 623,215                      |
| 6,299,002                    | 6,167,509                    | 5,800,663                    | 5,500,826                    | 4,460,884                    | 47,910,743                   |
| 153,086,173                  | 155,304,015                  | 158,137,179                  | 177,749,436                  | 190,922,218                  | 237,562,667                  |
| 2,301,532                    | 2,510,620                    | 2,182,031                    | 2,193,236                    | 2,111,509                    | 2,005,046                    |
| 45,484,035                   | 45,787,613                   | 45,573,813                   | 48,131,650                   | 62,894,799                   | 12,362,266                   |
| <b><u>\$ 218,635,020</u></b> | <b><u>\$ 221,048,750</u></b> | <b><u>\$ 220,874,643</u></b> | <b><u>\$ 242,583,353</u></b> | <b><u>\$ 274,793,741</u></b> | <b><u>\$ 317,477,798</u></b> |

**TABLE B-6**

**CITY OF LIVINGSTON, TEXAS**  
**ELECTRICAL, WATER, AND SEWER REVENUES**  
**Last Ten Fiscal Years**

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|                     | <b>Fiscal Year</b>   |                      |                      |                      |
|---------------------|----------------------|----------------------|----------------------|----------------------|
|                     | <b>2014</b>          | <b>2015</b>          | <b>2016</b>          | <b>2017</b>          |
| Electrical revenues | \$ 12,262,970        | \$ 14,952,135        | \$ 17,663,467        | \$ 14,998,630        |
| Water revenues      | 2,916,915            | 2,707,222            | 2,947,552            | 3,367,577            |
| Sewer revenues      | <u>1,875,521</u>     | <u>1,892,460</u>     | <u>2,080,570</u>     | <u>2,118,296</u>     |
| Total               | <u>\$ 17,055,406</u> | <u>\$ 19,551,817</u> | <u>\$ 22,691,589</u> | <u>\$ 20,484,503</u> |

Sources: Various City Departments

**TABLE B-6**

| <b>Fiscal Year</b>   |                      |                      |                      |                      |                      |
|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| <b>2018</b>          | <b>2019</b>          | <b>2020</b>          | <b>2021</b>          | <b>2022</b>          | <b>2023</b>          |
| \$ 13,011,389        | \$ 17,565,089        | \$ 16,210,295        | \$ 16,231,451        | \$ 18,314,490        | \$ 19,617,193        |
| 3,337,436            | 3,243,058            | 3,233,546            | 3,438,157            | 3,548,955            | 3,603,151            |
| <u>2,095,894</u>     | <u>2,199,623</u>     | <u>2,499,064</u>     | <u>2,363,189</u>     | <u>2,422,824</u>     | <u>3,406,522</u>     |
| <u>\$ 18,444,719</u> | <u>\$ 23,007,770</u> | <u>\$ 21,942,905</u> | <u>\$ 22,032,797</u> | <u>\$ 24,286,269</u> | <u>\$ 26,626,866</u> |

## **DEBT CAPACITY**

**These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.**

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**TABLE C-1**

**CITY OF LIVINGSTON, TEXAS**  
**RATIOS OF OUTSTANDING DEBT BY TYPE**  
**Last Ten Fiscal Years**

| <b>Fiscal Year</b> | <b>CERTIFICATES<br/>OF<br/>OBLIGATION</b> | <b>GENERAL<br/>OBLIGATION<br/>BONDS</b> | <b>TOTAL<br/>GOVERNMENTAL<br/>ACTIVITIES</b> | <b>BUSINESS-TYPE<br/>ACTIVITIES</b> | <b>WATER<br/>SERVICE<br/>CONTRACTS<br/>PAYABLE</b> |            |
|--------------------|---|---|--|-------------------------------------|--|------------|
| 2013-14            | 5,900,000                                 | (3)                                     | 3,470,000 (3)                                | 9,370,000                           | 22,510,000   | (1)<br>(4) |
| 2014-15            | 5,850,000                                 |   | 2,500,000                                    | 8,350,000                           | 21,900,000   |            |
| 2015-16            | 5,800,000                                 |   | 1,510,000                                    | 7,310,000                           | 21,280,000   |            |
| 2016-17            | 5,750,000                                 |   | 490,000                                      | 6,240,000                           | 20,645,000   |            |
| 2017-18            | 5,700,000                                 |   | -  | 5,700,000                           | 19,990,000   |            |
| 2018-19            | 5,480,000                                 |   | -  | 5,480,000                           | 19,315,000   |            |
| 2019-20            | -   |   | -  | -                                   | 18,625,000   |            |
| 2020-21            | -   |   | -  | -                                   | 17,950,000   |            |
| 2021-22            | -   |   | -  | -                                   | 17,190,000   |            |
| 2022-23            | -   |   | -  | -                                   | 16,400,000   |            |

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

- (1) The Trinity River Authority issued \$2,715,000 in water system improvement bonds in 2012 to be repaid by the City proprietary fund. Bonds were refinanced by Trinity River Authority in 2021.
- (2) U.S. Census 2010.
- (3) The City issued \$6,000,000 in new bonds and \$3,100,000 in refunding bonds in 2012.
- (4) The Trinity River Authority issued \$20,575,000 in water system improvement bonds in 2012 to be repaid by the City proprietary fund.
- (5) U.S. Census 2020.

**TABLE C-1**

| <b>TOTAL<br/>PRIMARY<br/>GOVERNMENT</b> | <b>PERCENTAGE<br/>OF PERSONAL<br/>INCOME</b> | <b>GROSS<br/>BONDED<br/>DEBT<br/>PER<br/>CAPITA</b> | <b>NET BONDED<br/>DEBT PER<br/>CAPITA</b> | <b>POPULATION</b> |
|---|--|---|---|-------------------|
| 31,880,000                              | 17.04%                                       | 1,756   | 1,754                                     | 5,335 (2)         |
| 30,250,000                              | 15.85%                                       | 1,565   | 1,564                                     | 5,335             |
| 28,590,000                              | 14.14%                                       | 1,370   | 1,368                                     | 5,335             |
| 26,885,000                              | 13.19%                                       | 1,170   | 1,167                                     | 5,335             |
| 25,690,000                              | 12.60%                                       | 1,068   | 1,067                                     | 5,335             |
| 24,795,000                              | 11.78%                                       | 1,027   | 1,026                                     | 5,335             |
| 18,625,000                              | 8.77%  | -   | -   | 5,335             |
| 17,950,000                              | 7.43%  | -   | -   | 5,640 (5)         |
| 17,190,000                              | 6.91%  | -   | -   | 5,640             |
| 16,400,000                              | 6.17%  | -   | -   | 5,640             |

**CITY OF LIVINGSTON, TEXAS**  
**RATIO OF NET GENERAL BONDED DEBT TO**  
**ASSESSED VALUE AND NET BONDED DEBT PER CAPITA**  
**Last Ten Fiscal Years**

| <b>Fiscal Year</b> | <b>Population</b> |     | <b>Assessed Value (1)</b> | <b>Gross Bonded Debt (2)</b> | <b>Less: Debt Service Fund</b> |
|--------------------|-------------------|-----|---------------------------|------------------------------|--------------------------------|
| 2013-14            | 5,335             | (3) | 483,038,851               | 9,370,000                    | 12,825                         |
| 2014-15            | 5,335             |     | 487,364,377               | 8,350,000                    | 6,523                          |
| 2015-16            | 5,335             |     | 497,373,921               | 7,310,000                    | 13,362                         |
| 2016-17            | 5,335             |     | 508,226,152               | 6,240,000                    | 14,443                         |
| 2017-18            | 5,335             |     | 522,194,229               | 5,700,000                    | 9,848                          |
| 2018-19            | 5,335             |     | 540,776,638               | 5,480,000                    | 6,430                          |
| 2019-20            | 5,335             |     | 561,619,329               | -                            | -                              |
| 2020-21            | 5,640             | (4) | 568,945,459               | -                            | -                              |
| 2021-22            | 5,640             |     | 580,935,130               | -                            | -                              |
| 2022-23            | 5,640             |     | 598,710,561               | -                            | -                              |

(1) Net of exemptions (information provided by Polk Central Appraisal District)

(2) Since 1988, the City has had no bonds that are being repaid through general property taxes.

(3) U.S. Census 2010

(4) U.S. Census 2020

**TABLE C-2**

| <b>Net Bonded Debt</b> | <b>Ratio of Net Bonded Debt to Assessed Value</b> | <b>Net Bonded Debt Per Capita</b> |
|------------------------|---|-----------------------------------|
| 9,357,175              | -   | 1,754                             |
| 8,343,477              | -   | 1,564                             |
| 7,296,638              | -   | 1,368                             |
| 6,225,557              | -   | 1,167                             |
| 5,690,152              | -   | 1,067                             |
| 5,473,570              | -   | 1,026                             |
| -                      | -   | -                                 |
| -                      | -   | -                                 |
| -                      | -   | -                                 |
| -                      | -   | -                                 |

**CITY OF LIVINGSTON, TEXAS**  
**COMPUTATION OF DIRECT AND OVERLAPPING DEBT**  
**September 30, 2023**

| <b>Governmental Unit</b>                   | <b>Outstanding Debt</b> | <b>Percentage Applicable to This Governmental Unit *</b> | <b>City of Livingston's Share of Debt</b> |
|--|-------------------------|--|---|
| (1) Livingston Independent School District | 49,060,000              | 20%  | 9,812,000                                 |
| (2) County of Polk                         | <u>18,022,854</u>       | 13%  | <u>2,342,971</u>                          |
| Total overlapping debt                     | <u>67,082,854</u>       |  | <u>12,154,971</u>                         |
| Total direct and overlapping debt          | <u>\$ 67,082,854</u>    |  | <u>\$ 12,154,971</u>                      |

(1) Information provided by Livingston Independent School District Business Office

(2) Information provided by Polk County Auditor's Office

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Livingston, Texas. This process recognizes that when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore, responsible for repaying the debt of each overlapping government.

\*For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable assessed value that is within the City's boundaries and dividing it by each unit's taxable assessed value.

**TABLE C-4**

**CITY OF LIVINGSTON, TEXAS**  
**COMPUTATION OF LEGAL DEBT MARGIN**  
**September 30, 2023**

---

|   |                       |
|---|-----------------------|
| Assessed value, year 2022                     | <u>\$ 598,710,561</u> |
| Debt Limit - Ten Percent of assessed value    | 59,871,056            |
| Amount of Debt Applicable to Debt Limit:      |                       |
| Other debt (contracts payable)                | <u>16,400,000</u>     |
| Total debt                                    | <u>16,400,000</u>     |
| Less: Assets in debt service fund             | -                     |
| Total amount of debt applicable to debt limit | <u>16,400,000</u>     |
| Legal debt margin                             | <u>\$ 43,471,056</u>  |

| <b>Fiscal Year</b> | <b>Debt Limit</b> | <b>Total Net Debt Applicable to Limit</b> | <b>Legal Debt Margin</b> | <b>Legal Debt Margin as a Percentage of the Debt Limit</b> |
|--------------------|-------------------|---|--------------------------|--|
| 2014               | \$ 48,303,885     | \$ 31,867,175                             | \$ 16,436,710            | 34.03%   |
| 2015               | \$ 48,736,438     | \$ 30,243,477                             | \$ 18,492,961            | 37.94%   |
| 2016               | \$ 49,737,392     | \$ 28,576,638                             | \$ 21,160,754            | 42.54%   |
| 2017               | \$ 50,822,615     | \$ 26,870,557                             | \$ 23,952,058            | 47.13%   |
| 2018               | \$ 52,219,423     | \$ 25,680,152                             | \$ 26,539,271            | 50.82%   |
| 2019               | \$ 54,077,664     | \$ 24,788,570                             | \$ 29,289,094            | 54.16%   |
| 2020               | \$ 56,161,933     | \$ 18,625,000                             | \$ 37,536,933            | 66.84%   |
| 2021               | \$ 56,894,546     | \$ 17,950,000                             | \$ 38,944,546            | 68.45%   |
| 2022               | \$ 58,093,513     | \$ 17,190,000                             | \$ 40,903,513            | 70.41%   |
| 2023               | \$ 59,871,056     | \$ 16,400,000                             | \$ 43,471,056            | 72.61%   |

Note: Under state finance law, the City's outstanding general obligation debt should not exceed ten percent of total assessed property value. By law, the general obligation debt subject to the limitation may be offset by amounts set aside for repaying general obligation bonds.

## **DEMOGRAPHIC AND ECONOMIC INFORMATION**

**These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.**

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**CITY OF LIVINGSTON, TEXAS**  
**DEMOGRAPHIC AND ECONOMIC STATISTICS**  
**Last Ten Fiscal Years**

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| <b>Fiscal Year</b> | <b>Population</b> | <b>Personal Income</b> | <b>Per Capita Personal Income</b> | <b>Unemployment Rate</b> |
|--------------------|-------------------|------------------------|-----------------------------------|--------------------------|
| 2013-14            | 5,335             | 187,114,455            | 35,073                            | 6.30%                    |
| 2014-15            | 5,335             | 190,864,960            | 35,776                            | 5.90%                    |
| 2015-16            | 5,335             | 202,132,480            | 37,888                            | 6.90%                    |
| 2016-17            | 5,335             | 203,871,690            | 38,214                            | 5.60%                    |
| 2017-18            | 5,335             | 203,850,350            | 38,210                            | 4.80%                    |
| 2018-19            | 5,335             | 210,401,730            | 39,438                            | 4.30%                    |
| 2019-20            | 5,335             | 212,429,030            | 39,818                            | 9.80%                    |
| 2020-21            | 5,640             | 241,561,200            | 42,830                            | 8.70%                    |
| 2021-22            | 5,640             | 248,659,311            | 44,089                            | 2.40%                    |
| 2022-23            | 5,640             | 265,926,000            | 47,150                            | 4.80%                    |

\* Sources: Population provided by the 2010 and 2020 census. Personal income and unemployment rate provided by the Bureau of Economic Analysis.

**TABLE D-2**

**CITY OF LIVINGSTON, TEXAS**  
**PRINCIPAL EMPLOYERS**  
**Current Year and Nine Years Ago**

---

| (*) Name                            | 2023         |      |                                     | 2014         |      |                                     |
|-------------------------------------|--------------|------|-------------------------------------|--------------|------|-------------------------------------|
|                                     | Employees    | Rank | Percent of Total<br>City Employment | Employees    | Rank | Percent of Total<br>City Employment |
| Livingston Independent School Dist. | 550          | 1    | 11.99%                              | 613          | 1    | 7.86%                               |
| Walmart Super Center                | 384          | 2    | 8.37%                               | 454          | 2    | 5.82%                               |
| CHI St Luke's Health                | 323          | 3    | 7.04%                               | 342          | 3    | 4.38%                               |
| Polk County                         | 300          | 4    | 6.54%                               | -            | -    | 0.00%                               |
| IAH Detention Facility              | 179          | 5    | 3.90%                               | 177          | 5    | 2.27%                               |
| Lowe's Home Improvement             | 140          | 6    | 3.05%                               | 157          | 6    | 2.01%                               |
| Sam Houston Electric Coop           | 128          | 7    | 2.79%                               | 156          | 7    | 2.00%                               |
| The Bradford at Brookside           | 98           | 8    | 2.14%                               | 146          | 8    | 1.87%                               |
| HEB Pantry Foods                    | 97           | 9    | 2.12%                               | -            | -    | 0.00%                               |
| First National Bank                 | 62           | 10   | 1.35%                               | -            | -    | 0.00%                               |
| STI Group                           | -            |      | 0.00%                               | 100          | 10   | 1.28%                               |
| Pine Ridge Healthcare Center        | -            |      | 0.00%                               | 102          | 9    | 1.31%                               |
| Memorial Medical Center             | -            |      | 0.00%                               | 332          | 4    | 4.26%                               |
|                                     | <u>2,261</u> |      | <u>49.30%</u>                       | <u>2,579</u> |      | <u>33.06%</u>                       |

(\*) Information provided by the City of Livingston, Texas.

## **OPERATING INFORMATION**

**These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.**

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**TABLE E-1**

**CITY OF LIVINGSTON, TEXAS**  
**FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM**  
**Last Ten Fiscal Years**

| <b>Full-time Equivalent Employees as of September 30,</b> |   |                  |                  |                  |                  |                  |
|---|---|------------------|------------------|------------------|------------------|------------------|
| <b>FUNCTION/PROGRAM</b>                                   |   | <b>2014</b>      | <b>2015</b>      | <b>2016</b>      | <b>2017</b>      | <b>2018</b>      |
| Administrative  | B | 12               | 12               | 12               | 11               | 13               |
| Fire  | A | 2                | 1                | 1                | 1                | 1                |
| Police Officers   |   | 18               | 18               | 18               | 18               | 19               |
| Other staff   |   | 8                | 8                | 8                | 7                | 8                |
| Paving and street   |   | 6                | 7                | 6                | 7                | 5                |
| Parks and recreation                                      |   | 9                | 9                | 9                | 9                | 8                |
| Library   |   | 5                | 5                | 5                | 5                | 5                |
| Garage  |   | 2                | 2                | 2                | 2                | 2                |
| Electric, Water & Sewer                                   |   | <u>21</u>        | <u>19</u>        | <u>20</u>        | <u>20</u>        | <u>18</u>        |
| Total   |   | <u><u>83</u></u> | <u><u>81</u></u> | <u><u>81</u></u> | <u><u>80</u></u> | <u><u>79</u></u> |

Sources: Various City Departments

- A. The City does not have a paid fire department. The City has approximately 37 citizens who volunteer to serve in the fire department.
- B. Includes 2 employees assigned to community development and 1 employee assigned to Main Street for 2006 and subsequent years.

**TABLE E-1**

| <b>2019</b>      | <b>2020</b>      | <b>2021</b>      | <b>2022</b>      | <b>2023</b>      |
|------------------|------------------|------------------|------------------|------------------|
| 12               | 12               | 12               | 15               | 15               |
| 1                | 1                | 1                | 1                | 1                |
| 20<br>7          | 20<br>8          | 20<br>8          | 24<br>8          | 27<br>8          |
| 5                | 6                | 5                | 7                | 6                |
| 10               | 10               | 9                | 7                | 7                |
| 5                | 4                | 5                | 5                | 5                |
| 2                | 2                | 3                | 3                | 3                |
| <u>19</u>        | <u>20</u>        | <u>18</u>        | <u>17</u>        | <u>16</u>        |
| <u><u>81</u></u> | <u><u>83</u></u> | <u><u>81</u></u> | <u><u>87</u></u> | <u><u>88</u></u> |

**TABLE E-2**

**CITY OF LIVINGSTON, TEXAS**  
**OPERATING INDICATORS BY FUNCTION/PROGRAM**  
**Last Ten Fiscal Years**

| <b>FUNCTION/PROGRAM</b>           | <b>Fiscal Year</b> |             |             |             |
|-----------------------------------|--------------------|-------------|-------------|-------------|
|                                   | <b>2014</b>        | <b>2015</b> | <b>2016</b> | <b>2017</b> |
| Police                            |                    |             |             |             |
| Violations (Traffic & Criminal)   | 4,588              | 4,402       | 4,840       | 4,273       |
| Fire                              |                    |             |             |             |
| Fire Calls                        | 508                | 531         | 592         | 587         |
| Library                           |                    |             |             |             |
| Volumes of Books                  | 18,335             | 19,798      | 19,817      | 21,305      |
| Electric                          |                    |             |             |             |
| Average daily kilowatt hours sold | 232,292            | 234,643     | 230,634     | 282,310     |
| Total customers                   | 3,320              | 3,316       | 3,313       | 3,286       |
| Water                             |                    |             |             |             |
| Average daily consumption         | 1,847,951          | 1,458,384   | 1,528,677   | 1,569,050   |
| Total connections                 | 3,286              | 3,299       | 3,289       | 3,291       |

Sources: Various City Departments

**TABLE E-2**

| <b>2018</b>        | <b>2019</b>        | <b>2020</b>        | <b>2021</b>        | <b>2022</b>        | <b>2023</b>        |
|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| 4,735              | 4,382              | 2,988              | 5,570              | 4,065              | 5,535              |
| 627                | 523                | 631                | 638                | 720                | 835                |
| 19,466             | 20,999             | 18,224             | 19,937             | 19,238             | 18,143             |
| 229,114<br>3,321   | 220,793<br>3,332   | 213,870<br>3,423   | 220,826<br>3,485   | 221,260<br>3,460   | 225,062<br>3,491   |
| 1,553,392<br>3,302 | 1,562,151<br>3,325 | 2,253,570<br>3,392 | 1,594,471<br>3,530 | 1,579,578<br>3,388 | 1,599,813<br>3,543 |

**TABLE E-3**

**CITY OF LIVINGSTON, TEXAS**  
**CAPITAL ASSETS STATISTICS BY FUNCTION/PROGRAM**  
**Last Ten Fiscal Years**

| <b>FUNCTION/PROGRAM</b>        | <b>Fiscal Year</b> |             |             |             |
|--------------------------------|--------------------|-------------|-------------|-------------|
|                                | <b>2014</b>        | <b>2015</b> | <b>2016</b> | <b>2017</b> |
| Police                         |                    |             |             |             |
| Patrol Units                   | 16                 | 16          | 17          | 19          |
| Fire                           |                    |             |             |             |
| Stations and substation        | 3                  | 3           | 3           | 4           |
| Vehicles including fire trucks | 17                 | 17          | 15          | 15          |
| Paving and Street              |                    |             |             |             |
| Miles of Paved Streets         | 58.06              | 58.06       | 59.06       | 59.06       |
| Miles of Paved Sidewalks       | 12.50              | 12.50       | 12.50       | 12.50       |
| Street lights                  | 821                | 821         | 828         | 828         |
| Night lights                   | 467                | 467         | 472         | 481         |
| Parks & Recreation             |                    |             |             |             |
| Acres of Parks                 | 373.50             | 373.50      | 373.50      | 373.50      |
| Water                          |                    |             |             |             |
| Miles of water mains           | 46.63              | 46.63       | 48.18       | 48.49       |
| Storage capacity-gallons       | 3,150,000          | 3,150,000   | 3,300,000   | 3,300,000   |
| Sewer                          |                    |             |             |             |
| Miles of sewer lines           | 80.75              | 80.75       | 81.60       | 81.60       |

Sources: Various City Departments

**TABLE E-3**

| <b>2018</b>                  | <b>2019</b>                  | <b>2020</b>                  | <b>2021</b>                  | <b>2022</b>                  | <b>2023</b>                  |
|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
| 19                           | 19                           | 17                           | 18                           | 18                           | 20                           |
| 4<br>16                      | 4<br>15                      | 4<br>15                      | 4<br>15                      | 4<br>15                      | 4<br>15                      |
| 59.06<br>12.50<br>830<br>483 | 59.06<br>12.50<br>832<br>474 | 59.16<br>12.50<br>835<br>476 | 59.16<br>12.50<br>838<br>476 | 59.16<br>12.50<br>830<br>476 | 59.16<br>12.50<br>830<br>476 |
| 373.50                       | 373.50                       | 373.50                       | 373.50                       | 373.50                       | 373.50                       |
| 48.51<br>3,300,000           | 49.71<br>3,300,000           | 49.71<br>3,850,000           | 50.45<br>3,850,000           | 50.45<br>3,850,000           | 50.45<br>3,850,000           |
| 81.60                        | 81.60                        | 81.72                        | 81.72                        | 81.72                        | 81.72                        |

**MISCELLANEOUS STATISTICAL DATA - UNAUDITED**

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**CITY OF LIVINGSTON, TEXAS****MISCELLANEOUS STATISTICAL DATA - UNAUDITED**

DATE OF INCORPORATION: October 3, 1902

GOVERNMENT: General Law City  
 Council - Manager  
 Elected Officials:  
 Mayor  
 Five (5) Council members

POPULATION: 1990 U.S. Census - 5,019  
 2000 U.S. Census - 5,433  
 2010 U.S. Census - 5,335  
 2020 U.S. Census - 5,640

**INCORPORATED AREA IN ACRES LAST TEN YEARS**

|      |       |      |       |
|------|-------|------|-------|
| 2014 | 5,572 | 2019 | 5,572 |
| 2015 | 5,572 | 2020 | 5,572 |
| 2016 | 5,572 | 2021 | 5,572 |
| 2017 | 5,572 | 2022 | 5,572 |
| 2018 | 5,572 | 2023 | 5,572 |

**TRANSPORTATION FACILITIES**Streets

59.16 Miles paved street  
 9.75 Unpaved streets  
 10.50 Miles undeveloped streets  
 12.50 Miles sidewalk

Highways

U.S. 59 and U.S. 190 Intersect  
 in Downtown Area. Also serve as  
 principal city streets

Railways

Union Pacific RR Company

Municipal Airport

Runway - 3,700' paved  
 Windsocks, tie downs, telephone  
 Privately owned hangars  
 Airport lighted

**WATER AND SANITATION FACILITIES**Water Mains

12" 10.76 miles  
 8" 15.12 miles  
 6" 22.09 miles  
 20" 4.35 miles

Water Pumpage

Present requirements 2,272,000  
 gallons per day

Water Storage

Elevated - 2,200,000 gallons  
 Ground - 1,650,000 gallons

Sewer Lines

Sanitation - 81.72 miles of line  
 Storm - Adequate for proper  
 drainage

## CITY OF LIVINGSTON, TEXAS

**MISCELLANEOUS STATISTICAL DATA - UNAUDITED****PERSONNEL**

| <u>Department</u>      | <u>Number of Employees</u> | <u>Employees Statistics</u> |                            |
|------------------------|----------------------------|-----------------------------|----------------------------|
|                        |                            | <u>Years of Service</u>     | <u>Number of Employees</u> |
| Administrative         | 10                         | 31+                         | 4                          |
| Electric               | 7                          | 20-30                       | 13                         |
| Water                  | 6                          | 15-19                       | 8                          |
| Sewer                  | 3                          | 10-14                       | 12                         |
| Police                 | 35                         | 6-9                         | 12                         |
| Street                 | 6                          | 1-5                         | 29                         |
| Parks and Recreational | 7                          | Less than (one)<br>1 year   | <u>10</u>                  |
| Library                | 5                          |                             |                            |
| Garage                 | 3                          |                             | <u>88</u>                  |
| Community Devel.       | 2                          |                             |                            |
| Fire                   | 1                          |                             |                            |
| Main Street            | 1                          |                             |                            |
| Trade Days             | 2                          |                             |                            |
| Total                  | <u>88</u>                  |                             |                            |

**PERSONNEL POLICY PROVISIONS**

Cost of Living Salary Adjustment

Paid insurance Benefits - all regular (40 Hours plus) full-time employees and portion of dependents (hospitalization and life insurance, dental and vision prescription cards).

Merit System (all regular full-time employees)  
Paid vacation (80 hours after one year)  
(120 hours after 10 years)  
(160 hours after 20 years)

Retirement Benefits ratio match 2:1

Paid sick leave (80 hours) with 320 hours accrual  
Paid Holidays (Thirteen)  
Bereavement Leave (24 hours)  
Earned personal leave days (One)  
Award program-Annual banquet, safety, service, attendance, and volunteer awards  
Education tuition reimbursement  
Family Leave (FMLA)  
Workers Compensation Program

Social Security/Medicare

Volunteer Program (MVP)

Sick Leave Pool

Holiday Compensation

Law Enforcement Certificate Pay

Telecommunication Officer Certificate Pay

Paid uniforms for all service personnel

Healthy initiative program

Water/Wastewater Certificate pay

## CITY OF LIVINGSTON, TEXAS

## MISCELLANEOUS STATISTICAL DATA - UNAUDITED

| <u>POLICE PROTECTION</u>                 |                               |  |
|--|-------------------------------|--|
| <u>Personnel at Full Staff</u>           |                               | <u>Equipment</u>                       |
| One (1) Chief                            | One (1) Municipal Court Judge | Twenty (20) Patrol Units               |
| One (1) Lieutenant                       | One (1) Secretary/Comm. Spv   | Eleven (11) Radars                     |
| Five (5) Sergeants                       | One (1) Municipal Court Clerk | Radio Communication System             |
| Two (2) Detectives                       | One (1) Records Clerk         | Computer System                        |
| Ten (10) Officers                        | One (1) Evidence Clerk        |  |
| Five (5) Reserve Officers                |                               |  |
| Four (4) Telecommunication Officers      |                               |  |
| Two (2) Relief Telecommunication Officer |                               |  |
| One (1) Animal Control Officer           |                               |  |
| Five (5) School Officers                 |                               |  |
|  |                               | <u>Traffic and Criminal Violations</u> |
|  |                               | \$192,138 fines collected              |
|  |                               | 5,535 violations                       |

FIRE PROTECTION

| <u>Housing</u>  |                              |  |
|---|------------------------------|--|
| <u>Personnel</u>  |                              |  |
| One (1) Fire Chief  | 1992                         | Station 1 - 8 Truck bays, 2 offices  |
| Thirty-six (36) volunteer firemen   |                              | 1 classroom, and 1 workroom  |
| Two (2) radio dispatchers - full time and Two (2) relief                            | 1996                         | Station 2 - 5 Truck bays   |
| One (1) secretary   | 2007                         | Station 3 - 2 Truck bays   |
| <u>Equipment</u>  | 2016                         | Station 4 - 4 Truck bays   |
| Five (5) pumper (4-1250 GPM; 1-750 GPM)   |                              |  |
| One (1) aerial ladder truck (2000 GPM)  |                              |  |
| Two (2) tankers (3000 gal. capacity)  |                              |  |
| Two (2) rescue boats and equipment  |                              |  |
| One (1) Command Post-32' self-contained   |                              |  |
| Radio communication system including 50 mobile units, dispatch module and 6 remotes |                              |  |
| "Jaws" of life (6 sets with 2 set of air bags)                                      |                              | Fire Training Field - Used for live fire training and other rescue classes |
| Water rescue equipment  |                              |  |
| Trench rescue equipment   |                              |  |
| Rope rescue equipment   |                              |  |
| Four (4) Thermal imagers  |                              |  |
| Two (2) utility vehicles  |                              |  |
| Three (3) Grass/brush fire trucks   | 50 gallons Micro Blaze       | <u>Total Fire Calls</u>  |
| One (1) Heavy Rescue  | 75 self-contained air packs  | 2022-2023 - 835 fire calls   |
| 1-6 Bottle cascade system-light tower   | 6 generators                 |  |
| 1-8 Bottle cascade system   | 8 entry saws                 |  |
| 300 gallons AFFF Foam   | Hazardous material equipment |  |
| 200 gallons Forestry Foam   | 3 Ventilation saws           |  |
| One (1) John Deere Gator  | 3 Metal cutoff saws          |  |
| One (1) Skid Unit   | 3 450 GPM Float Pumps        |  |

## CITY OF LIVINGSTON, TEXAS

## MISCELLANEOUS STATISTICAL DATA - UNAUDITED

POPULATION INFORMATION

|                    |       |
|--------------------|-------|
| U.S. Census - 1940 | 1,851 |
| U.S. Census - 1950 | 2,855 |
| U.S. Census - 1960 | 3,398 |
| U.S. Census - 1970 | 3,925 |
| U.S. Census - 1980 | 4,928 |
| U.S. Census - 1990 | 5,019 |
| U.S. Census - 2000 | 5,433 |
| U.S. Census - 2010 | 5,335 |
| U.S. Census - 2020 | 5,640 |

ENTERPRISES AS OF SEPTEMBER 30, 2022

|  |                          |   |
|--|--------------------------|---|
| (1) CenterPoint Energy                                   | Gas Utility              | Active Customers 1,207<br>Inactive Customers N/A  |
| (1) LivCom   | Telephone System         | Access Lines - 3,198                              |
| (1) LivCom   | Television Cable         | Customers - 339                                   |
| City of Livingston                                       | Electric & Water Systems | Electric Customers 3,491<br>Water Customers 3,543 |
| (1) Information provided by individual corporate offices |                          |   |

CITY ELECTRIC DEPARTMENT STATISTICS (LAST TEN YEARS)

| Fiscal Year | Number of Customers | KWH Consumed |            | Total      |
|-------------|---------------------|--------------|------------|------------|
|             |                     | Residential  | Commercial |            |
| 2014        | 3,320               | 29,358,471   | 55,428,091 | 84,786,562 |
| 2015        | 3,316               | 29,362,807   | 56,282,603 | 85,645,410 |
| 2016        | 3,313               | 28,627,609   | 55,553,783 | 84,181,392 |
| 2017        | 3,286               | 27,095,100   | 55,533,800 | 82,628,900 |
| 2018        | 3,321               | 29,401,722   | 54,224,892 | 83,626,614 |
| 2019        | 3,332               | 26,887,498   | 53,701,934 | 80,589,432 |
| 2020        | 3,423               | 29,162,337   | 48,900,108 | 78,062,445 |
| 2021        | 3,485               | 29,766,797   | 50,833,792 | 80,600,589 |
| 2022        | 3,460               | 25,749,925   | 51,375,632 | 77,125,557 |
| 2023        | 3,491               | 28,956,904   | 49,636,981 | 78,593,885 |

## CITY OF LIVINGSTON, TEXAS

**MISCELLANEOUS STATISTICAL DATA - UNAUDITED****MUNICIPAL SALES TAX**

|         |              |
|---------|--------------|
| 2013-14 | \$ 3,431,399 |
| 2014-15 | \$ 3,488,475 |
| 2015-16 | \$ 3,597,499 |
| 2016-17 | \$ 3,759,664 |
| 2017-18 | \$ 4,055,937 |
| 2018-19 | \$ 3,888,574 |
| 2019-20 | \$ 4,188,740 |
| 2020-21 | \$ 4,667,079 |
| 2021-22 | \$ 5,209,435 |
| 2022-23 | \$ 5,505,516 |

**WATER DEPARTMENT STATISTICS (LAST TEN YEARS)**

| Year | Gallons Consumed * | Gallons Pumped |
|------|--------------------|----------------|
| 2014 | 538,997,000        | 676,494,000    |
| 2015 | 532,310,000        | 678,095,000    |
| 2016 | 567,570,000        | 765,176,000    |
| 2017 | 558,662,000        | 783,696,000    |
| 2018 | 566,988,000        | 809,890,000    |
| 2019 | 573,640,000        | 857,890,000    |
| 2020 | 551,010,000        | 829,335,000    |
| 2021 | 578,998,000        | 829,166,000    |
| 2022 | 576,546,000        | 783,757,000    |
| 2023 | 632,266,000        | 851,473,000    |

\* Water consumption at municipally-owned facilities not included.

**\* EDUCATIONAL FACILITIES**Public Schools

Cedar Grove Elementary (Pre-K - 3)  
 Timbercreek Elementary (Pre-K - 3)  
 Pine Ridge Primary (Pre-K - Kindergarten)  
 Creekside Elementary (Grade 1-5)  
 Livingston Intermediate School (Grades 4-5)  
 Livingston Jr. High School (Grades 6-8)  
 Livingston High School (Grades 9-12)  
 Livingston Special Education and Cooperative Training (Adult Education-Special Services)

Public School Administrative Personnel

Superintendent - One (1)  
 Chief Officers - Two (2)  
 Principals - Six (6)  
 Asst. Principals - Ten (10)  
 Counselors - Eight (8)  
 Directors of Special Prog./Curriculum - Seven (7)  
 Other - Forty-seven (47)  
Private  
 Private Kindergarten and/or Nursery Schools - Three (3)  
College  
 Angelina Junior College/  
 Polk County Commerce Center Fall 2021 Enrollment 217

Public School Miscellaneous Data

Teachers - 269.5 Certified  
 78 Aides Para Professional  
 21 Auxiliary  
 Average Daily Attendance - 3,829 Inclusive

\* Information provided by Livingston Independent School District Business Office.

## CITY OF LIVINGSTON, TEXAS

**MISCELLANEOUS STATISTICAL DATA - UNAUDITED****CULTURAL AND RECREATIONAL ACTIVITIES****Barney Wiggins Fairgrounds**

Sixty (60) Acres, Highway 146, South  
 Rodeo Arena and Concession Stand  
 Little League Baseball Complex - 5 lighted fields  
 Concessions and restrooms  
 Trailer Camp Sites, Livestock  
 Pavilion and Grandstands

**Matthews Park**

Eight-five (85) Acres, West  
 Matthews Street, Picnic Area, Playground  
 Equipment, Four (4) Lighted Tennis Courts,  
 Two (2) Picnic Pavilions and .5 mile lighted  
 Jogging trail with exercise stations,  
 Junior olympic pool constructed in 1992,  
 Bathhouses and Volleyball court.  
 9-hole golf course

**Livingston Municipal Library**

Located at 707 North Tyler Avenue. Opened  
 at new location May 2014 valued at \$2,500,000.  
 Staff-Professional Librarian, Three (3) Assistants,  
 Janitorial help.  
 Volumes; 2023 - 18,143

**Joe Pedigo City Park**

224 acres U.S. 59 Bypass, Phase I -  
 approximately 50 acres-completed  
 May, 1990. Baseball and softball  
 fields, soccer fields, covered picnic  
 shelters and concession stand.  
 Phase II completed in 1999 Trade  
 Days pavilions (2) and infrastructure,  
 4 softball fields, concession  
 stand, restrooms, maintenance shop,  
 and two (2) ponds.  
 Added two (2) Football Fields in 2015

**ELECTION INFORMATION**

|  |        |
|--|--------|
| * Number of registered voters in County November 2021  | 41,294 |
| * Number voting in last general election November 2020 | 16,760 |
| Number of registered voters in City 2020               | 3,086  |
| ** Number voting in last Municipal election (May 2016) | 247    |
| Percentage of voters voting:                           |        |
| Last general election (County) (November 2020)         | 59.42% |
| ** Last Municipal election (Municipal) (May 2016)      | 7.7%   |

\* Information provided by Texas Office of Secretary of State and Polk County Tax Office.

\*\* Information provided by City of Livingston.

**CITY OF LIVINGSTON, TEXAS**  
**CITY OFFICIALS**  
**For the Year Ended September 30, 2023**

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| <u>Name</u>        | <u>Title</u>                      | <u>Amount of<br/>Surety Bond</u> |
|--------------------|-----------------------------------|----------------------------------|
| Judy Cochran       | Mayor                             | \$ 25,000                        |
| Alan Cook          | Mayor Pro-tem                     | 25,000                           |
| Raymond Luna       | Alderman                          | 25,000                           |
| Elgin Davis        | Alderman                          | 25,000                           |
| Bobby Jackson, Sr. | Alderman                          | 25,000                           |
| Billy S Wiggins    | City Manager                      | 25,000                           |
| Linnette Barker    | City Finance Director             | 25,000                           |
| Ellie Monteaux     | City Secretary/Asst. City Manager | 25,000                           |
| James Wright       | City Attorney                     | 25,000                           |

NOTE: All employees are covered by Public Employees Blanket Bond in the amount of \$25,000.

**SINGLE AUDIT REPORTS ON EXPENDITURES OF  
FEDERAL AWARD PROGRAMS**

**CITY OF LIVINGSTON, TEXAS**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2023**

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| Federal Grantor/Pass-through Grantor/<br>Program Title   | Federal<br>Assistance<br>Number | Contract or<br>Pass-through<br>Grantor's<br>I.D. Number | Current Year<br>Revenue | Current Year<br>Expenditures |
|--|---------------------------------|---|-------------------------|------------------------------|
| U.S. Department of Justice<br>Bulletproof Vest Partnership Program   | 16.607                          | N/A   | \$ 1,226                | \$ 1,226                     |
| U.S. Department of Treasury<br>American Rescue Plan Act Coronavirus Local<br>Fiscal Recovery Funds<br>Passed through Texas Division of Emergency<br>Management<br>Coronavirus Relief Funds | 21.027                          | 17460016151   | <u>863,891</u>          | <u>863,891</u>               |
|  |                                 |   | <u>\$ 865,117</u>       | <u>\$ 865,117</u>            |

**CITY OF LIVINGSTON, TEXAS**  
**NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**SEPTEMBER 30, 2023**

NOTE A

BASIS OF PRESENTATION AND ACCOUNTING POLICIES

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the City of Livingston, Texas (the City) and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. Therefore, some amounts presented in the schedule may differ from amounts presented in, or used in the preparation of, the financial statements. The City has elected to not use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

**CITY OF LIVINGSTON, TEXAS**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**SEPTEMBER 30, 2023**

**Section I - Summary of Auditors' Results**

***Financial Statements***

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

Significant deficiencies or material weaknesses related to the audit of the financial statements reported? \_\_\_\_\_ Yes  No

Noncompliance material to the financial statements noted? \_\_\_\_\_ Yes  No

***Federal Awards***

Significant deficiencies or material weaknesses related to the internal control over the major federal award programs reported? \_\_\_\_\_ Yes  No

Type of auditors' report issued on compliance for each major program: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a)? \_\_\_\_\_ Yes  No

Identification of major programs:

| <b>CFDA Number</b>   | <b>Name of Federal Program</b>                                      |
|--|---|
| 21.027   | American Rescue Plan Act<br>Coronavirus Local Fiscal Recovery Funds |
| Dollar threshold used to distinguish between Type A and type B programs: | \$ <u>750,000</u>   |
| Auditee qualified as low-risk auditee?                                   | _____ Yes <input checked="" type="checkbox"/> No                    |

**Section II - Financial Statement Findings**

None

**Section III - Federal Award Findings and Questioned Costs**

None

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

The Honorable Judy Cochran, Mayor  
and Members of the City Council  
City of Livingston  
Livingston, Texas

We have audited, in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, and major fund of the City of Livingston, Texas (the City), as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated March 13, 2024.

**Report on 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) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of 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 City'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. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **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.

*Harper & Pearson Company, P.C.*

HARPER & PEARSON COMPANY, P.C.

Houston, Texas  
March 13, 2024

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

The Honorable Judy Cochran, Mayor  
and Members of the City Council  
City of Livingston  
Livingston, Texas

**Report on Compliance for Each Major Federal Program*****Opinion on Each Major Federal Program***

We have audited the City of Livingston's (the City) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on the City's major federal program for the year ended September 30, 2023. The City's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended September 30, 2023.

***Basis for Opinion on Each Major Federal Program***

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

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

***Responsibilities of Management for Compliance***

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

### ***Auditor's Responsibilities for the Audit of Compliance***

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

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

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

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

### ***Report on Internal Control over Compliance***

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

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

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

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

*Harper & Pearson Company, P.C.*

HARPER & PEARSON COMPANY, P.C.

Houston, Texas  
March 13, 2024