

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

**FISCAL YEAR  
OCTOBER 1, 2009 - SEPTEMBER 30, 2010  
ISSUED BY: FINANCE DEPARTMENT  
MARILYN SUTTON**

**CITY OF LIVINGSTON, TEXAS  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
SEPTEMBER 30, 2010**

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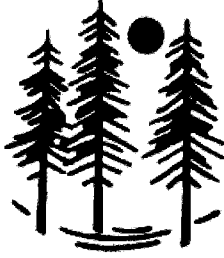
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# *City of Livingston, Texas*

A Texas Main Street City Since 2005

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March 4, 2011

Honorable Mayor and  
Members of the City Council  
City of Livingston  
Livingston, Texas

Gentlemen:

The Comprehensive Annual Financial Report (CAFR) of the City of Livingston for the fiscal year ended September 30, 2010 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.

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Clarke Evans, Mayor

Marilyn Sutton, City Manager

Ellie Monteaux, City Secretary

Council Members: E. Ray Hill, Judy Cochran, <sup>v</sup>Raymond Luna, Billy S. Wiggins, Elgin Davis

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.

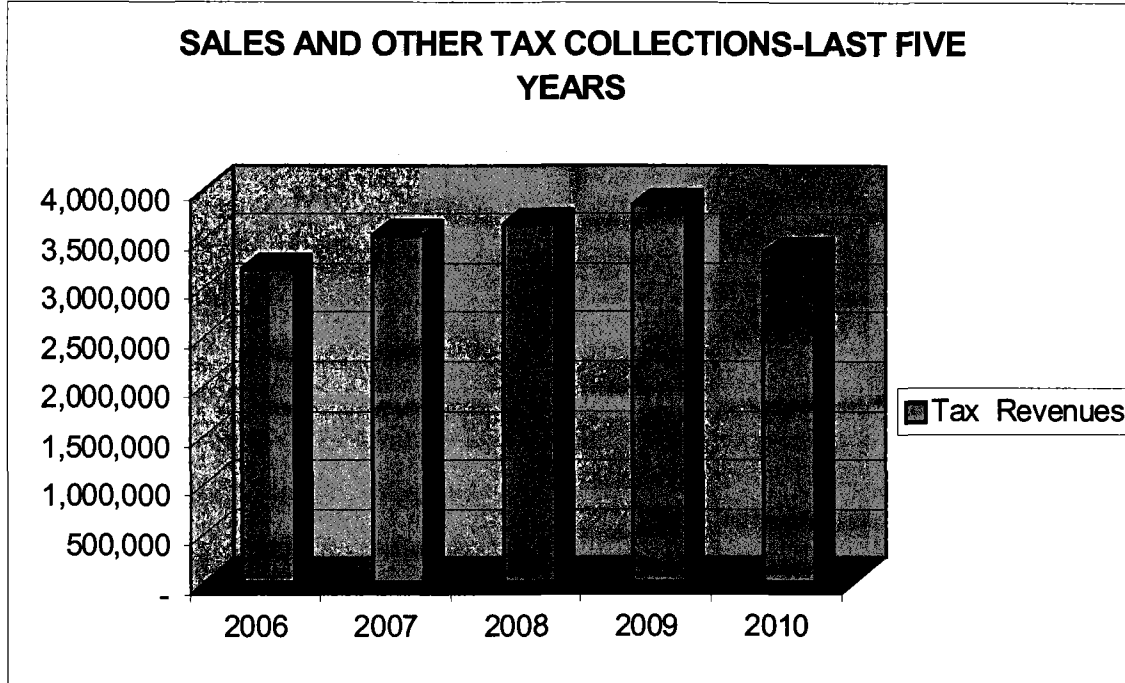
All internal control evaluations occur within the above framework. We believe that the City's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

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 \$5,000 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

Uncertain and difficult economic times continued in the community during the 2010 fiscal year. Declining sales tax collections and rising unemployment rates reflected a downturn in the local economy. Additionally, the city experienced reductions in hotel occupancy tax revenue and other revenue sources including interest earnings, park and recreation user fees, and building permit and construction fees.

Sales tax receipts, a major indicator of the economic condition of the area, decreased from \$3,393,000 in 2008-2009 to \$3,012,000, a decrease of \$381,000, or 11.2%. A graph of tax receipts follows:



Early in 2010, the City Council and management staff realized the need to determine a course of action to reduce expenditures to offset the reduced revenues so a hiring freeze was imposed and several capital improvement projects were delayed. By the end of the fiscal year, expenditures had been reduced to meet the declining revenues without further action being necessary. The City was able to accomplish its major goals for the fiscal year which included the upgrade of an aging 6" cast iron line with a new 8" PVC water line on SH 146 South to improve the water pressure and quality; renovation and upgrade of the pole yard water pumping station and the West Street pumping station; installation of a SCADA system for the water distribution system; financing and construction by the Trinity River Authority of an upgrade of the City's water transmission line from a 12" line to a 20" line; and paving of more than 3 miles of unpaved dirt streets with a grant from the Texas Department of Rural Affairs.

On a positive note, the appraised value of property located within the city limits increased by about \$5,000,000 in 2010, total deposits in the local banks increased by 5%, or \$20,428,000, electric sales revenue increased by 12.9%, or \$1,073,000 due to extreme winter and summer weather, and water sales and sewer service revenue increased by 4.2%, or \$90,000 for the fiscal year. The Texas Department of Criminal Justice Polunsky Unit, located on FM 350 South, continued as the City's leading water and wastewater user consuming 243,281,000 gallons of water with the IAH federal detention facility, located on FM 350 South, as the City's second largest water and wastewater user consuming 32,263,000 gallons of water.

New residential and commercial construction projects were undertaken in the City during 2010 with 76 building permits issued at a total construction value of \$24,686,000. New or renovated businesses and commercial developments in 2010 include: a new Dollar King store in the Southpoint Shopping Center (\$350,000), new administrative offices for Sam Houston Electric Cooperative on US 190 East (\$9,018,000), a new retail shopping center on U.S. 190 west of Wal-Mart to include Dollar Tree, Cato's, Hibbitt's Sports, Sally's Beauty Supply, Verizon Wireless, and space for several other retailers at build-out (\$1,384,000), McDonalds (\$980,000), Memorial Medical Center SANE Unit (\$40,000), The Sweat Shop (\$40,000), and new office space in Jackson Square (\$438,000). Additionally, the First United Methodist Church requested annexation of 18 acres of land on US 190 West to construct a three-story, 22,339 square foot educational building (\$2,800,000) and Habitat for Humanity constructed two single-family residences (\$95,000).



## Future Economic Outlook

The Livingston Main Street program is now in its sixth year and continues to make progress in efforts to make downtown an attractive, vital area of commerce. This past fiscal year the Livingston Main Street program disbursed more than \$9,000 in locally-raised grant funds to building and business owners through facade, infrastructure and sign grants. Since 2005, Livingston Main Street has provided more than \$66,000 in locally-raised grant funds helping to stimulate more than \$1,010,000 of reinvestment in the Main Street District.

Three large construction projects by local governmental entities have progressed during 2010 and have had a positive economic impact on the community. These projects include the construction of the new LISD High School campus on FM 350 South (\$65,000,000), the new Polk County Judicial Center on Mill Street in downtown Livingston (\$10,500,000) and the expansion of the existing Polk County Law Enforcement/Detention Center on Business 59 (\$19,000,000). Once these major projects are completed, the City will experience an increase in utility revenues since the City will provide water and sewer services to the new high school campus, and electric, water and sewer services to the new judicial center and the law enforcement/detention center.

Another major project which will significantly impact the community for many years to come is the Polk County Community College/Commerce Center to be located on the US 59 North bypass adjacent to Pedigo Park. An architectural firm has been selected and the project design is expected to be complete by the end of 2010 with construction to begin in early 2011. Additionally, planning is proceeding for the expansion of the Camp Cho-Yeh Conference Center on South Washington (Old Highway 35) to include a new conference center along with camping and recreational facilities at an estimated cost of \$7,500,000. As we end 2010, the City is continuing to receive inquiries from developers and retailers concerning locations that are within the City limits concerning future motel construction, residential multi-family apartment units, and retail shopping centers and restaurants.

As we begin the new year, sales tax revenue has increased for the first three months of the 2010-2011 fiscal year by \$40,000, or 5.6%, from the first three months of 2009-2010. Other leading economic indicators are showing signs of improvement so we are hopeful that the local economy will continue to experience gradual growth in the coming year. Continuing growth in the major revenue sources and additional funds from other sources, have allowed the City to continue to operate without an ad valorem property tax since 1988 and the City does not anticipate levying an ad valorem property tax for 2011.

## Major Initiatives

In 2011, major infrastructure upgrade projects will continue to be the primary focus with the rehabilitation, upgrading and expansion of the water distribution system and the sanitary sewer system being of significant importance. We will continue to replace aging cast iron water lines to improve the clarity and taste of tap water in isolated areas of the City and paint one of the elevated water storage tanks in 2011. The installation of the new transmission line which supplies the City's water from Lake Livingston should be complete by mid-2011. Additionally, through the receipt in 2011 of \$1,258,000 in disaster recovery grant funds, the City will construct a diversion channel and install a new mechanical bar screen at the wastewater treatment plant and install generators at the City's lift stations, public works facility and electric warehouse in order to maintain utility services through a major disaster.

In early 2011 the City will consider the issuance of Certificates of Obligation to fund several capital projects which cannot be funded from current funds including the construction of a 1,000,000 gallon elevated water storage tank on US 190 West and FM 350 South to provide additional storage in this area of high growth. Other projects will include street renovation/rehabilitation in various parts of the city and the renovation of a facility purchased by the City in 2007 to serve as the new 17,500 square foot library.

Additionally, the City Council and administrative staff will begin work in early 2011 on a new 5-year strategic plan, with input from the citizens and supervisory departmental staff, to address future infrastructure needs, assess facilities, programming and service delivery needs and to determine future personnel staffing needs

for the community. As we move forward into 2011, the initiatives will be continually reevaluated and revised, if necessary, based on the financial condition of the community.

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.

#### Financial Policies

The overall strategy of the City related to cash deposits and investments is to expose the City to a minimum amount of credit risk and market risk. All bank balances or deposits as of the balance sheet date are entirely insured and collateralized with securities held by the City's agent in the City's name. The City had no investments in 2010 other than certificates of deposit.

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 exposures related to their duties. In a similar manner, risk control techniques have been established to reduce possible losses to property owned or under the control of the City. Furthermore, 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 change in rating.

### OTHER INFORMATION

#### Independent Audit

The financial records, books of account, and transactions of the City for the fiscal year ended September 30, 2010, 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 Comprehensive Annual Financial Report for the fiscal year ended September 30, 2009. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, whose contents conform to program standards. Such Comprehensive Annual Financial Report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The City of Livingston has received a Certificate of Achievement for the last twenty-two consecutive years (fiscal years ended 1988-2009). We believe the current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA.

## 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,

Marilyn Sutton  
City Manager and Chief Financial Officer

# **CITY OF LIVINGSTON, TEXAS**

**September 30, 2010**

## **PRINCIPAL OFFICIALS**

### **City Council**

Mayor

Clarke Evans

Mayor Pro-tem

Elgin Davis

Alderman

E. Ray Hill

Alderwoman

Judy Cochran

Alderman

Raymond Luna

Alderman

Billy S. Wiggins

### **Administration**

City Manager

Marilyn Sutton

City Secretary

Ellie Monteaux

City Attorney

Gaffney Phillips

### **Form of Government**

Council - Manager

General Law City

## 2010

[illegible]

# **CERTIFICATE OF ACHIEVEMENT**



**INDEPENDENT AUDITOR'S REPORT**

The Honorable Clarke Evans, Mayor  
and Members of the City Council  
City of Livingston  
Livingston, Texas

We have audited the accompanying financial statements of the governmental activities, business-type activities, major fund, and remaining fund information, which collectively comprise the basic financial statements of the City of Livingston, Texas, as of and for the year ended September 30, 2010, as listed in the Table of Contents. These financial statements are the responsibility of the management of the City of Livingston, Texas. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, major fund, and remaining fund information of the City of Livingston, Texas, at September 30, 2010, and the changes in financial position and cash flows, where applicable, of those activities and funds and the budgetary comparison for the general fund for the year then ended in conformity with generally accepted accounting principles in the United States.

The management's discussion and analysis on pages 3-12 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the City's basic financial statements. The budgetary comparison schedules, individual fund financial statements and schedules, and statistical information listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements of the City of Livingston, Texas. Such information, except for the portion marked "unaudited" on which we express no opinion, has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*Harper & Pearson Company, P.C.*

Houston, Texas  
March 4, 2011

**CITY OF LIVINGSTON, TEXAS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**SEPTEMBER 30, 2010**

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, 2010. Please read it in conjunction with the accompanying transmittal letter and the accompanying basic financial statements.

**FINANCIAL HIGHLIGHTS**

- The City's net assets of governmental activities decreased by \$373,000 or 7.1% as a result of the year's operations. The decrease was due primarily to a decrease in sales tax revenues of \$381,000 or 11.2%. Net assets of the City's business type activities increased by \$1,488,000 or 9.1% during 2010. This increase was primarily as a result of increased electricity revenues due to rate increases and water recoveries due to the reimbursement of certain engineering expenses by the Trinity River Authority.
- The City's total net assets increased by \$1,115,000 or 5.1% during the current fiscal year. The increase is the result of the growth in electricity sales described above along with water recoveries.
- Total cost of the entire City's programs increased \$54,000 or less than 1.0%. Expenses increased in the police and parks departments while declining in administration, sanitation and fire departments. The largest contributors to the increase were the addition of personnel in the police department and the increased fuel costs for the airport along with increased costs of grounds maintenance for the parks department. The decline in administration was primarily due to a reduction in professional fees that were abnormally high in 2009 as the result of Hurricane Ike and economic development issues. The decline in the fire department was the result of fewer building repairs related to Hurricane Ike, and the decline in the sanitation department was due to reduced supply costs.
- As of September 30, 2010, the City of Livingston's governmental funds reported combined ending fund balances of \$1,192,000 a decrease of \$678,000 in comparison with the prior fiscal year. The decrease is due primarily to the transfer of capital projects funds to the proprietary fund for water system improvements.
- At the end of the current fiscal year, the unreserved fund balance for the general fund was \$863,000 or approximately 17.0% of total general fund expenditures.
- The City's total bonded debt decreased by \$745,000 during the current fiscal year.

**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.



**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 assets presents information on all of the City of Livingston's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City of Livingston is improving or deteriorating. The statement of net assets 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 assets 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 assets and the statement of activities are prepared utilizing the accrual basis of accounting as opposed to the modified accrual basis used in prior reporting models.

In the Statement of Net Assets 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 taxes 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 Assets and the Statement of Activities) and governmental funds is detailed in a reconciliation following the fund financial statements.

The City of Livingston maintains three individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the general fund, debt service fund and the capital projects fund, all of which are considered to be major funds.

- 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 assets 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 progress in funding its obligation to provide pension benefits to the employees. The Texas Municipal Retirement System (TMRS) administers the City's pension plan through a cost-sharing multiple employer defined benefit plan. Further information about the City of Livingston's pension plan can be found in footnote 7, pages 41-43 of this report.

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

The City's combined net assets were \$22,814,000 as of September 30, 2010. Analyzing the net assets and net expenses of governmental and business-type activities separately, the business type activities net assets are \$17,919,000. This analysis focuses on the net assets (Table 1) and changes in net assets (Table 2) and significant expenses of the City's governmental and business-type activities.

By far the largest portion of the City's net assets (82.97%) 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 are 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.

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

**Table 1**  
**Net Assets**

|                                                 | <b>Governmental Activities</b> |                     | <b>Business-Type Activities</b> |                      | <b>Total Primary Government</b> |                      |
|-------------------------------------------------|--------------------------------|---------------------|---------------------------------|----------------------|---------------------------------|----------------------|
|                                                 | <b>2010</b>                    | <b>2009</b>         | <b>2010</b>                     | <b>2009</b>          | <b>2010</b>                     | <b>2009</b>          |
| Current and other assets                        | \$ 1,516,402                   | \$ 2,215,743        | \$ 4,175,811                    | \$ 3,544,404         | \$ 5,692,213                    | \$ 5,760,147         |
| Capital assets                                  | <u>10,387,933</u>              | <u>10,811,760</u>   | <u>17,897,038</u>               | <u>14,299,578</u>    | <u>28,284,971</u>               | <u>25,111,338</u>    |
| Total assets                                    | <u>11,904,335</u>              | <u>13,027,503</u>   | <u>22,072,849</u>               | <u>17,843,982</u>    | <u>33,977,184</u>               | <u>30,871,485</u>    |
| Long-term debt outstanding                      | 6,790,000                      | 7,535,000           | 2,785,000                       | 140,000              | 9,575,000                       | 7,675,000            |
| Other liabilities                               | <u>219,655</u>                 | <u>224,645</u>      | <u>1,368,893</u>                | <u>1,273,357</u>     | <u>1,588,548</u>                | <u>1,498,002</u>     |
| Total liabilities                               | <u>7,009,655</u>               | <u>7,759,645</u>    | <u>4,153,893</u>                | <u>1,413,357</u>     | <u>11,163,548</u>               | <u>9,173,002</u>     |
| Net assets:                                     |                                |                     |                                 |                      |                                 |                      |
| Invested in capital assets, net of related debt | 3,816,433                      | 3,805,846           | 15,112,038                      | 14,299,578           | 18,928,471                      | 18,105,424           |
| Restricted                                      | 60,119                         | 58,323              | 125,923                         | 120,096              | 186,042                         | 178,419              |
| Unrestricted                                    | <u>1,018,128</u>               | <u>1,403,689</u>    | <u>2,680,995</u>                | <u>2,010,951</u>     | <u>3,699,123</u>                | <u>3,414,640</u>     |
| Total net assets                                | <u>\$ 4,894,680</u>            | <u>\$ 5,267,858</u> | <u>\$ 17,918,956</u>            | <u>\$ 16,430,625</u> | <u>\$ 22,813,636</u>            | <u>\$ 21,698,483</u> |

An additional portion of the City's net assets (1%) represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net assets \$3,699,123 may be used to meet the government's ongoing obligations to citizens and creditors.

As of September 30, 2010, the City is able to report positive balances in all three categories of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities.

The governmental activities total assets decreased by \$1,123,168. This decrease related to depreciation of capital assets and transfers of capital projects funds to the proprietary fund. Long-term debt of governmental activities decreased by \$745,000 at the City paid down outstanding bonds. The long-term debt of the business type activities increased by \$2,645,000 as the City entered into contractual arrangements with the Trinity River Authority to expand the City's water system.

**Analysis of the City's Operations** Overall the City had an increase in net assets of \$1,115,153.

### **Governmental Activities**

Governmental activities decreased the net assets by \$373,178. Net assets invested in capital assets, net of related debt increased by \$10,587 or .27% due to the repayment of outstanding bonds and additional investment in equipment, buildings, and infrastructure net of depreciation. Unrestricted net assets decreased by \$385,561 as a result of decreased sales tax revenues.

Total revenues for governmental activities decreased from the previous year by \$1,458,201. The primary decrease was in sales, franchise, and hotel/motel tax revenues of \$490,390 due to decreased retail and economic activity in the City, a decrease in building permits of \$114,091 as a result of the downturn in construction, and a decrease in grant revenues of \$783,529 associated with Hurricane Ike recovery in the previous year.

### **Business-Type Activities**

Net assets from business-type activities increased by \$1,488,331 or 9.1% from \$16,430,625 in 2009 to \$17,918,956 in 2010. The increase was primarily due to increased electricity revenues, which increased by \$1,073,416 over 2009 due to rate increases and an increase in water recoveries of \$537,571 due to the reimbursement of certain engineering expenses by the Trinity River Authority.

The following table provides a summary of the City's operations for year ended September 30, 2010 with comparative totals for year ended September 30, 2009.

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

|                                      | <b>Governmental Activities</b> |                     | <b>Business-Type Activities</b> |                      | <b>Total Primary Government</b> |                      |
|--------------------------------------|--------------------------------|---------------------|---------------------------------|----------------------|---------------------------------|----------------------|
|                                      | <b>2010</b>                    | <b>2009</b>         | <b>2010</b>                     | <b>2009</b>          | <b>2010</b>                     | <b>2009</b>          |
| Revenues:                            |                                |                     |                                 |                      |                                 |                      |
| Program Revenues:                    |                                |                     |                                 |                      |                                 |                      |
| Charges for                          |                                |                     |                                 |                      |                                 |                      |
| Services                             | \$ 1,577,549                   | \$ 1,756,231        | \$ 13,968,911                   | \$ 12,369,934        | \$ 15,546,460                   | \$ 14,126,165        |
| Capital Grants & Contributions       | 247,392                        | 471,764             | -                               | -                    | 247,392                         | 471,764              |
| Operating Grants & Contributions     | 94,055                         | 653,212             | -                               | -                    | 94,055                          | 653,212              |
| General Revenues:                    |                                |                     |                                 |                      |                                 |                      |
| Property tax                         | -                              | -                   | -                               | -                    | -                               | -                    |
| Sales tax                            | 3,012,227                      | 3,392,552           | -                               | -                    | 3,012,227                       | 3,392,552            |
| Franchise tax                        | 143,586                        | 172,631             | -                               | -                    | 143,586                         | 172,631              |
| Hotel/Motel tax                      | 210,076                        | 291,096             | -                               | -                    | 210,076                         | 291,096              |
| Investment earnings                  | 7,153                          | 12,753              | 18,495                          | 27,310               | 25,648                          | 40,063               |
| Miscellaneous                        | -                              | -                   | -                               | -                    | -                               | -                    |
| Total Revenues                       | <u>5,292,038</u>               | <u>6,750,239</u>    | <u>13,987,406</u>               | <u>12,397,244</u>    | <u>19,279,444</u>               | <u>19,147,483</u>    |
| Expenses:                            |                                |                     |                                 |                      |                                 |                      |
| Administration                       | 550,726                        | 625,366             | -                               | -                    | 550,726                         | 625,366              |
| Sanitation                           | 597,196                        | 607,137             | -                               | -                    | 597,196                         | 607,137              |
| Fire                                 | 406,508                        | 413,973             | -                               | -                    | 406,508                         | 413,973              |
| Police                               | 1,618,530                      | 1,530,106           | -                               | -                    | 1,618,530                       | 1,530,106            |
| Paving & Street                      | 950,467                        | 935,608             | -                               | -                    | 950,467                         | 935,608              |
| Parks & Recreation                   | 893,254                        | 847,600             | -                               | -                    | 893,254                         | 847,600              |
| Library                              | 312,390                        | 284,255             | -                               | -                    | 312,390                         | 284,255              |
| Garage                               | 180,496                        | 186,795             | -                               | -                    | 180,496                         | 186,795              |
| Interest on long-term debt           | 292,638                        | 316,960             | -                               | -                    | 292,638                         | 316,960              |
| Electric, Water, and Sewer           | -                              | -                   | 12,362,086                      | 12,007,478           | 12,362,086                      | 12,007,478           |
| Total Expenses                       | <u>5,802,205</u>               | <u>5,747,800</u>    | <u>12,362,086</u>               | <u>12,007,478</u>    | <u>18,164,291</u>               | <u>17,755,278</u>    |
| Excess (deficiency) before transfers | (510,167)                      | 1,002,439           | 1,625,320                       | 389,766              | 1,115,153                       | 1,392,205            |
| Transfers                            | <u>136,989</u>                 | <u>(263,233)</u>    | <u>(136,989)</u>                | <u>263,233</u>       | <u>-</u>                        | <u>-</u>             |
| Increase (decrease) in net assets    | (373,178)                      | 739,206             | 1,488,331                       | 652,999              | 1,115,153                       | 1,392,205            |
| Net assets - October 1               | <u>5,267,858</u>               | <u>4,528,652</u>    | <u>16,430,625</u>               | <u>15,777,626</u>    | <u>21,698,483</u>               | <u>20,306,278</u>    |
| Net assets - September 30            | <u>\$ 4,894,680</u>            | <u>\$ 5,267,858</u> | <u>\$ 17,918,956</u>            | <u>\$ 16,430,625</u> | <u>\$ 22,813,636</u>            | <u>\$ 21,698,483</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, unreserved 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 funds reported combined ending fund balances of \$1,191,524. Approximately 72.4% of the total amount (\$863,051) constitutes unreserved fund balance. The remainder of the fund balance is reserved to indicate that it is not available for new spending because it has already been committed to pay for debt service (\$60,119), library (\$49,852) and capital improvements (\$218,502).

The unreserved fund balance of the general fund decreased by \$233,652 from the prior year. The decrease was the result of decreased sales tax collections and reduced grant funds. The reserved fund balance of the general fund decreased by \$14,853 from the prior year. The decrease was due to the use of library memorial funds for the purchase of library books.

In the general fund, the City budgeted for a decrease in the fund balance on a GAAP basis of \$450,287. Due to additional transfers from the proprietary fund of approximately \$246,000, the actual fund balance decreased by \$248,505. The debt service fund balance increased by \$1,796 which was more than the budgeted breakeven because of higher than budgeted interest income. The capital projects fund balance decreased by \$431,726 as a result of amounts transferred to the proprietary fund to assist with water system improvements.

### **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 assets of the proprietary fund were \$2,680,995. Total net assets increased in 2010 by \$1,488,331. As previously described, the increase in the net assets was primarily the result of higher electricity sales and water system recoveries.

### **General Fund Budgetary Highlights**

The City made revisions to the original appropriations approved by the City Council. Overall these changes resulted in decreased budgeted revenues of \$464,143 or 7.9%. The decrease in budgeted revenues was primarily for a decrease in sales tax, franchise tax, hotel/motel taxes and construction permits. The decrease in sales, franchise, and hotel/motel taxes along with construction permits was the result of decreased economic activity and construction activity. Budgeted expenditures were decreased by \$266,930 or 4.9%. The decreases in budgeted expenditures were primarily for decreased streets, parks and recreation and library improvement projects.

## CAPITAL ASSET AND DEBT ADMINISTRATION

### Capital Assets

At the end of the fiscal year 2010, the City had \$28,284,971 (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 12.0% (4.1% decrease for governmental activities and a 23.9% increase in business-type activities) (See Table 3).

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

|                                  | Governmental<br>Activities |                      | Business-Type<br>Activities |                      | Totals               | Totals               |
|----------------------------------|----------------------------|----------------------|-----------------------------|----------------------|----------------------|----------------------|
|                                  | 2010                       | 2009                 | 2010                        | 2009                 | 2010                 | 2009                 |
| Land                             | \$ 476,004                 | \$ 476,004           | \$ 679,488                  | \$ 629,613           | \$ 1,155,492         | \$ 1,105,617         |
| Water Rights                     | -                          | -                    | 2,785,000                   | 140,000              | 2,785,000            | 140,000              |
| Buildings and<br>improvements    | 2,214,187                  | 2,277,585            | 312,903                     | 322,173              | 2,527,090            | 2,599,758            |
| Equipment and<br>fixtures        | 856,629                    | 933,039              | 412,683                     | 507,866              | 1,269,312            | 1,440,905            |
| Paving, sidewalks<br>and streets | 5,593,637                  | 5,745,138            | -                           | -                    | 5,593,637            | 5,745,138            |
| Parks development                | 1,067,966                  | 1,181,998            | -                           | -                    | 1,067,966            | 1,181,998            |
| Airport<br>improvements          | 179,510                    | 197,996              | -                           | -                    | 179,510              | 197,996              |
| Utility systems                  | -                          | -                    | 13,706,964                  | 12,839,926           | 13,706,964           | 12,839,926           |
| Total                            | <u>\$ 10,387,933</u>       | <u>\$ 10,811,760</u> | <u>\$ 17,897,038</u>        | <u>\$ 14,439,578</u> | <u>\$ 28,284,971</u> | <u>\$ 25,251,338</u> |

This year's major additions included:

|                               |                     |
|-------------------------------|---------------------|
| Police Vehicles               | \$ 25,958           |
| Various street improvements   | 308,353             |
| Water Service Contract Rights | 2,715,000           |
| Utility System Improvements   | <u>1,145,421</u>    |
| Total                         | <u>\$ 4,194,732</u> |

The City's fiscal year 2011 capital budget calls for it to spend another \$3,150,000 for capital projects, principally for street improvements (\$285,000), police patrol cars (\$52,000), swimming pool renovation (\$60,000), central fueling station and control equipment (\$85,000), pavilion upgrade (\$50,000), electrical system improvements (\$400,000), water system upgrades and equipment (\$715,000) and sewer system improvements (\$1,365,000). Additional information on the City of Livingston's capital assets can be found in footnote 6 on pages 39-41 of this report.

## Debt

At year-end, the City had \$6,790,000 in bonds outstanding as compared to \$7,535,000 at the end of the prior fiscal year, a decrease of 10.0% - as shown in Table 4.

**Table 4**  
**Outstanding Debt, at Year-end**

|                                                    | Governmental Activities |                     | Business-Type Activities |             | Totals              |                     |
|----------------------------------------------------|-------------------------|---------------------|--------------------------|-------------|---------------------|---------------------|
|                                                    | 2010                    | 2009                | 2010                     | 2009        | 2010                | 2009                |
| General obligation bonds<br>(backed by the City)   | \$ 2,735,000            | \$ 3,050,000        | \$ -                     | \$ -        | \$ 2,735,000        | \$ 3,050,000        |
| Certificates of obligation<br>(backed by the City) | <u>4,055,000</u>        | <u>4,485,000</u>    | <u>-</u>                 | <u>-</u>    | <u>4,055,000</u>    | <u>4,485,000</u>    |
| Totals                                             | <u>\$ 6,790,000</u>     | <u>\$ 7,535,000</u> | <u>\$ -</u>              | <u>\$ -</u> | <u>\$ 6,790,000</u> | <u>\$ 7,535,000</u> |

The City issued debt in June of 2007 in order to retire \$2,940,000 in old debt and issued \$1,500,000 in certificates of obligation to be used primarily for a new library and water system improvements.

The City's general obligation bonds and certificate of obligation continue 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 its debt obligations through sales tax receipts.

Additional information on the City of Livingston's long-term debt can be found in footnote 9 on pages 44-46 of this report.

## 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 2011 budget. Due to the continuing uncertainty in our local economy and the importance of sales tax revenue in our budget, city staff was extremely conservative in the preparation of the 2011 budget.

The General Funds' largest revenue source continues to be sales tax receipts since the City has not levied an ad valorem property tax since 1988. For the fiscal year ended September 30, 2010, sales tax revenue was down by 11.2%. While the City has experienced a 5.6% increase in sales tax revenue during the first three months of the 2011 fiscal year, we are uncertain how long this trend will continue. Currently, sales tax revenue accounts for 15% of the City's total annual operating revenue.



As for the City's business-type activities, fees for sanitation, electric, water and sewer services account for 79% of the city's total annual operating revenue. Since we continue to receive inquiries expressing varying degrees of interest from major national retailers regarding locations that are within the community, we are hopeful that new commercial construction will increase in 2011. New facilities that are currently under construction, including the LISD High School, Polk County Judicial Center and Polk County Law Enforcement/Detention Center will impact our utility revenue in the coming fiscal year as the city provides utility services to these facilities. Additionally, the City Council increased sanitation fees, electric fees, and water fees in October, 2010 to meet the increased operating expenses of the City for the upcoming fiscal year.

The City strives to provide an effective, cost-efficient range of services which the citizens have come to expect. 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.

#### **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**  
**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

**CITY OF LIVINGSTON, TEXAS**  
**GOVERNMENT-WIDE STATEMENT OF NET ASSETS**  
**SEPTEMBER 30, 2010**

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|                                                   | <b>PRIMARY GOVERNMENT</b>          |                                     |                          |
|---------------------------------------------------|------------------------------------|-------------------------------------|--------------------------|
|                                                   | <b>Governmental<br/>Activities</b> | <b>Business-type<br/>Activities</b> | <b>Total</b>             |
| <b><u>ASSETS</u></b>                              |                                    |                                     |                          |
| Cash                                              | \$ 1,223,419                       | \$ 940,186                          | \$ 2,163,605             |
| Certificates of deposit                           | 150,000                            | 1,500,000                           | 1,650,000                |
| Receivables:                                      |                                    |                                     |                          |
| Returned checks receivable                        | 2,428                              | 23,070                              | 25,498                   |
| Paving accounts receivable                        | 35,332                             | -                                   | 35,332                   |
| Utility accounts receivable                       | -                                  | 1,586,632                           | 1,586,632                |
| Deferred issuance cost (net)                      | 105,223                            | -                                   | 105,223                  |
| Restricted assets - cash                          | -                                  | 125,923                             | 125,923                  |
| Capital assets (net of accumulated depreciation): |                                    |                                     |                          |
| Land                                              | 476,004                            | 679,488                             | 1,155,492                |
| Buildings and improvements                        | 2,214,187                          | 312,903                             | 2,527,090                |
| Equipment and fixtures                            | 856,629                            | 412,683                             | 1,269,312                |
| Paving, sidewalks and streets                     | 5,593,637                          | -                                   | 5,593,637                |
| Parks development                                 | 1,067,966                          | -                                   | 1,067,966                |
| Airport improvements                              | 179,510                            | -                                   | 179,510                  |
| Electrical system                                 | -                                  | 3,405,186                           | 3,405,186                |
| Water system                                      | -                                  | 5,148,076                           | 5,148,076                |
| Sewer system                                      | -                                  | 5,153,702                           | 5,153,702                |
| Water service contract rights                     | -                                  | 2,785,000                           | 2,785,000                |
| <br>Total Assets                                  | <br><u>\$ 11,904,335</u>           | <br><u>\$ 22,072,849</u>            | <br><u>\$ 33,977,184</u> |

See accompanying notes to financial statements

**CITY OF LIVINGSTON, TEXAS**  
**GOVERNMENT-WIDE STATEMENT OF NET ASSETS**  
**SEPTEMBER 30, 2010**

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|                                                 | <b>PRIMARY GOVERNMENT</b>          |                                     |                      |
|-------------------------------------------------|------------------------------------|-------------------------------------|----------------------|
|                                                 | <b>Governmental<br/>Activities</b> | <b>Business-type<br/>Activities</b> | <b>Total</b>         |
| <b><u>LIABILITIES</u></b>                       |                                    |                                     |                      |
| Accounts payable                                | \$ 219,655                         | \$ 973,245                          | \$ 1,192,900         |
| Meter deposits                                  | -                                  | 395,648                             | 395,648              |
| Noncurrent Liabilities:                         |                                    |                                     |                      |
| Due within one year                             | 790,000                            | 70,000                              | 860,000              |
| Due in more than one year                       | <u>6,000,000</u>                   | <u>2,715,000</u>                    | <u>8,715,000</u>     |
| Total Liabilities                               | <u>7,009,655</u>                   | <u>4,153,893</u>                    | <u>11,163,548</u>    |
| <b><u>NET ASSETS</u></b>                        |                                    |                                     |                      |
| Invested in capital assets, net of related debt | 3,816,433                          | 15,112,038                          | 18,928,471           |
| Restricted for:                                 |                                    |                                     |                      |
| System improvements                             | -                                  | 109,484                             | 109,484              |
| Debt service                                    | 60,119                             | 16,439                              | 76,558               |
| Unrestricted                                    | <u>1,018,128</u>                   | <u>2,680,995</u>                    | <u>3,699,123</u>     |
| Total Net Assets                                | <u>\$ 4,894,680</u>                | <u>\$ 17,918,956</u>                | <u>\$ 22,813,636</u> |

See accompanying notes to financial statements

**CITY OF LIVINGSTON, TEXAS  
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2010**

| FUNCTIONS/PROGRAMS                   | Expenses             | Program Revenues     |                                  |                                    |
|--------------------------------------|----------------------|----------------------|----------------------------------|------------------------------------|
|                                      |                      | Charges for Services | Capital Grants and Contributions | Operating Grants and Contributions |
| Governmental activities:             |                      |                      |                                  |                                    |
| Administrative                       | \$ 550,726           | \$ 247,380           | \$ -                             | \$ -                               |
| Sanitation                           | 597,196              | 846,516              | -                                | -                                  |
| Fire                                 | 406,508              | -                    | -                                | 52,225                             |
| Police                               | 1,618,530            | 228,426              | -                                | 29,855                             |
| Paving and street                    | 950,467              | 10,197               | 247,392                          | -                                  |
| Parks and recreation                 | 893,254              | 226,859              | -                                | -                                  |
| Library                              | 312,390              | 18,171               | -                                | 11,975                             |
| Garage                               | 180,496              | -                    | -                                | -                                  |
| Interest on long-term debt           | 292,638              | -                    | -                                | -                                  |
| Total governmental activities        | <u>5,802,205</u>     | <u>1,577,549</u>     | <u>247,392</u>                   | <u>94,055</u>                      |
| Business-type activities:            |                      |                      |                                  |                                    |
| Electric, water and sewer            | <u>12,362,086</u>    | <u>13,968,911</u>    | -                                | -                                  |
| Total business-type activities       | <u>12,362,086</u>    | <u>13,968,911</u>    | -                                | -                                  |
| Total primary government             | <u>\$ 18,164,291</u> | <u>\$ 15,546,460</u> | <u>\$ 247,392</u>                | <u>\$ 94,055</u>                   |
| General revenues:                    |                      |                      |                                  |                                    |
| Taxes                                |                      |                      |                                  |                                    |
| Sales taxes                          |                      |                      |                                  |                                    |
| Franchise taxes                      |                      |                      |                                  |                                    |
| Hotel/Motel taxes                    |                      |                      |                                  |                                    |
| Unrestricted investment earnings     |                      |                      |                                  |                                    |
| Transfers                            |                      |                      |                                  |                                    |
| Total general revenues and transfers |                      |                      |                                  |                                    |
| Change in net assets                 |                      |                      |                                  |                                    |
| Net assets-beginning                 |                      |                      |                                  |                                    |
| Net assets-ending                    |                      |                      |                                  |                                    |

See accompanying notes to financial statements

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

| <b><u>Governmental<br/>Activities</u></b> | <b><u>Business-Type<br/>Activities</u></b> | <b><u>Total</u></b>    |
|-------------------------------------------|--------------------------------------------|------------------------|
| \$ (303,346)                              | \$ -                                       | \$ (303,346)           |
| 249,320                                   | -                                          | 249,320                |
| (354,283)                                 | -                                          | (354,283)              |
| (1,360,249)                               | -                                          | (1,360,249)            |
| (692,878)                                 | -                                          | (692,878)              |
| (666,395)                                 | -                                          | (666,395)              |
| (282,244)                                 | -                                          | (282,244)              |
| (180,496)                                 | -                                          | (180,496)              |
| (292,638)                                 | -                                          | (292,638)              |
| <u>(3,883,209)</u>                        | <u>-</u>                                   | <u>(3,883,209)</u>     |
| <br>-                                     | <br>1,606,825                              | <br>1,606,825          |
| <u>-</u>                                  | <u>1,606,825</u>                           | <u>1,606,825</u>       |
| <br><u>(3,883,209)</u>                    | <br><u>1,606,825</u>                       | <br><u>(2,276,384)</u> |
| <br>3,012,227                             | <br>-                                      | <br>3,012,227          |
| 143,586                                   | -                                          | 143,586                |
| 210,076                                   | -                                          | 210,076                |
| 7,153                                     | 18,495                                     | 25,648                 |
| 136,989                                   | (136,989)                                  | -                      |
| <u>3,510,031</u>                          | <u>(118,494)</u>                           | <u>3,391,537</u>       |
| (373,178)                                 | 1,488,331                                  | 1,115,153              |
| 5,267,858                                 | 16,430,625                                 | 21,698,483             |
| <u>\$ 4,894,680</u>                       | <u>\$ 17,918,956</u>                       | <u>\$ 22,813,636</u>   |

See accompanying notes to financial statements

**CITY OF LIVINGSTON, TEXAS  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
SEPTEMBER 30, 2010**

|                                     | <u>General</u>      | <u>Debt<br/>Service</u> |
|-------------------------------------|---------------------|-------------------------|
| <b><u>ASSETS</u></b>                |                     |                         |
| Cash                                | \$ 1,094,798        | \$ 60,119               |
| Certificates of deposit             | -                   | -                       |
| Receivables:                        |                     |                         |
| Returned checks receivable          | 2,428               | -                       |
| Paving accounts receivable          | 35,332              | -                       |
|                                     | <u>          </u>   | <u>          </u>       |
| Total Assets                        | <u>\$ 1,132,558</u> | <u>\$ 60,119</u>        |
| <b><u>LIABILITIES</u></b>           |                     |                         |
| Accounts payable                    | \$ 219,655          | \$ -                    |
|                                     | <u>          </u>   | <u>          </u>       |
| Total Liabilities                   | <u>219,655</u>      | <u>-</u>                |
| <b><u>FUND BALANCES</u></b>         |                     |                         |
| Reserved for:                       |                     |                         |
| Capital Projects                    | -                   | -                       |
| Library Memorials                   | 49,852              | -                       |
| Debt Service                        | -                   | 60,119                  |
| Unreserved                          | 863,051             | -                       |
|                                     | <u>          </u>   | <u>          </u>       |
| Total Fund Balances                 | <u>912,903</u>      | <u>60,119</u>           |
| Total Liabilities and Fund Balances | <u>\$ 1,132,558</u> | <u>\$ 60,119</u>        |

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

- Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.
- Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.
- Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.

Net assets of governmental activities

See accompanying notes to financial statements

| <b>Capital<br/>Projects</b> | <b>Total<br/>Governmental<br/>Funds</b> |
|-----------------------------|-----------------------------------------|
| \$ 68,502                   | \$ 1,223,419                            |
| 150,000                     | 150,000                                 |
| -                           | 2,428                                   |
| -                           | 35,332                                  |
| <u>\$ 218,502</u>           | <u>\$ 1,411,179</u>                     |
| \$ -                        | \$ 219,655                              |
| -                           | 219,655                                 |
| 218,502                     | 218,502                                 |
| -                           | 49,852                                  |
| -                           | 60,119                                  |
| -                           | 863,051                                 |
| <u>218,502</u>              | <u>1,191,524</u>                        |
| <u>\$ 218,502</u>           |                                         |

10,387,933

105,223

(6,790,000)

\$ 4,894,680

See accompanying notes to financial statements



**CITY OF LIVINGSTON, TEXAS  
GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED SEPTEMBER 30, 2010**

---

|                                                   | <u>General</u>    | <u>Debt<br/>Service</u> |
|---------------------------------------------------|-------------------|-------------------------|
| <b><u>REVENUES</u></b>                            |                   |                         |
| Taxes:                                            |                   |                         |
| Sales taxes                                       | \$ 3,012,227      | \$ -                    |
| Franchise taxes                                   | 143,586           | -                       |
| Hotel/Motel taxes                                 | 210,076           | -                       |
| Licenses and permits                              | 221,005           | -                       |
| Charges for service                               | 1,064,615         | -                       |
| Fines and forfeitures                             | 217,430           | -                       |
| Miscellaneous                                     | 437,265           | 1,781                   |
| Total Revenues                                    | <u>5,306,204</u>  | <u>1,781</u>            |
| <b><u>EXPENDITURES</u></b>                        |                   |                         |
| Current:                                          |                   |                         |
| Administrative                                    | 504,889           | -                       |
| Sanitation                                        | 597,076           | -                       |
| Fire                                              | 401,836           | -                       |
| Police                                            | 1,586,706         | -                       |
| Paving and street                                 | 765,007           | -                       |
| Parks and recreation                              | 724,820           | -                       |
| Library                                           | 310,701           | -                       |
| Garage                                            | 194,976           | -                       |
| Debt service:                                     |                   |                         |
| Principal retirement                              | -                 | 745,000                 |
| Interest                                          | -                 | 292,398                 |
| Total Expenditures                                | <u>5,086,011</u>  | <u>1,037,398</u>        |
| Excess (deficiency) of revenues over expenditures | <u>220,193</u>    | <u>(1,035,617)</u>      |
| <b>OTHER FINANCING SOURCES (USES)</b>             |                   |                         |
| Transfers in                                      | 568,715           | 1,037,413               |
| Transfers out                                     | (1,037,413)       | -                       |
| Total other financing sources (uses)              | <u>(468,698)</u>  | <u>1,037,413</u>        |
| Net change in fund balances                       | (248,505)         | 1,796                   |
| Fund Balances - beginning                         | <u>1,161,408</u>  | <u>58,323</u>           |
| Fund Balances - ending                            | <u>\$ 912,903</u> | <u>\$ 60,119</u>        |

See accompanying notes to financial statements

| <b>Capital<br/>Projects</b> | <b>Total<br/>Governmental<br/>Funds</b> |
|-----------------------------|-----------------------------------------|
| \$ -                        | \$ 3,012,227                            |
| -                           | 143,586                                 |
| -                           | 210,076                                 |
| -                           | 221,005                                 |
| -                           | 1,064,615                               |
| -                           | 217,430                                 |
| -                           | 439,046                                 |
| -                           | 5,307,985                               |
| -                           | 504,889                                 |
| -                           | 597,076                                 |
| -                           | 401,836                                 |
| -                           | 1,586,706                               |
| -                           | 765,007                                 |
| -                           | 724,820                                 |
| -                           | 310,701                                 |
| -                           | 194,976                                 |
| -                           | 745,000                                 |
| -                           | 292,398                                 |
| -                           | 6,123,409                               |
| -                           | (815,424)                               |
| -                           | 1,606,128                               |
| (431,726)                   | (1,469,139)                             |
| (431,726)                   | 136,989                                 |
| (431,726)                   | (678,435)                               |
| 650,228                     | 1,869,959                               |
| \$ 218,502                  | \$ 1,191,524                            |

See accompanying notes to financial statements

**CITY OF LIVINGSTON, TEXAS  
RECONCILIATION OF THE STATEMENT OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2010**

---

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

|                                                         |              |
|---------------------------------------------------------|--------------|
| Net changes in fund balances - total governmental funds | \$ (678,435) |
|---------------------------------------------------------|--------------|

|                                                                                                                                                                                                                                                                                                           |           |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|
| 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. | (423,828) |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |         |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|
| The issuance of long-term debt (e.g., bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs and similar items when debt is first issued, whereas, these amounts are deferred and amortized in the treatment of long-term debt and related items. | 729,085 |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|

|                                                  |                     |
|--------------------------------------------------|---------------------|
| Changes in net assets of governmental activities | <u>\$ (373,178)</u> |
|--------------------------------------------------|---------------------|

See accompanying notes to financial statements

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**CITY OF LIVINGSTON, TEXAS  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET (GAAP BASIS) AND ACTUAL  
YEAR ENDED SEPTEMBER 30, 2010**

|                                                                                    | <b>Budgeted Amounts GAAP Basis</b> |                     |                     |
|------------------------------------------------------------------------------------|------------------------------------|---------------------|---------------------|
|                                                                                    | <b>Original</b>                    | <b>Revisions</b>    | <b>Final</b>        |
| <b><u>REVENUES</u></b>                                                             |                                    |                     |                     |
| Taxes:                                                                             |                                    |                     |                     |
| Sales taxes                                                                        | \$ 3,468,000                       | \$ (518,000)        | \$ 2,950,000        |
| Franchise taxes                                                                    | 175,000                            | (25,000)            | 150,000             |
| Hotel/Motel taxes                                                                  | 285,000                            | (60,000)            | 225,000             |
| Licenses and permits                                                               | 175,000                            | 35,000              | 210,000             |
| Charges for service                                                                | 1,069,200                          | (24,355)            | 1,044,845           |
| Fines and forfeitures                                                              | 216,000                            | 20,700              | 236,700             |
| Miscellaneous                                                                      | 518,950                            | 107,512             | 626,462             |
| Total Revenues                                                                     | <u>5,907,150</u>                   | <u>(464,143)</u>    | <u>5,443,007</u>    |
| <b><u>EXPENDITURES</u></b>                                                         |                                    |                     |                     |
| Current:                                                                           |                                    |                     |                     |
| Administrative                                                                     | 537,530                            | (12,360)            | 525,170             |
| Sanitation                                                                         | 615,000                            | (7,000)             | 608,000             |
| Fire                                                                               | 431,365                            | (19,240)            | 412,125             |
| Police                                                                             | 1,553,925                          | 20,200              | 1,574,125           |
| Paving and street                                                                  | 880,920                            | (71,925)            | 808,995             |
| Parks and recreation                                                               | 829,575                            | (107,150)           | 722,425             |
| Library                                                                            | 375,100                            | (48,425)            | 326,675             |
| Garage                                                                             | 222,280                            | (21,030)            | 201,250             |
| Total Expenditures                                                                 | <u>5,445,695</u>                   | <u>(266,930)</u>    | <u>5,178,765</u>    |
| Excess of revenues over expenditures                                               | <u>461,455</u>                     | <u>(197,213)</u>    | <u>264,242</u>      |
| <b><u>OTHER FINANCING SOURCES (USES)</u></b>                                       |                                    |                     |                     |
| Transfers in                                                                       | 322,869                            | -                   | 322,869             |
| Transfers out                                                                      | <u>(1,037,398)</u>                 | <u>-</u>            | <u>(1,037,398)</u>  |
| Total other financing sources and (uses)                                           | <u>(714,529)</u>                   | <u>-</u>            | <u>(714,529)</u>    |
| Excess of revenues and other financing<br>sources over expenditures and other uses | <u>\$ (253,074)</u>                | <u>\$ (197,213)</u> | <u>\$ (450,287)</u> |
| Fund balance at beginning of year                                                  |                                    |                     |                     |
| Fund balance at end of year                                                        |                                    |                     |                     |

See accompanying notes to financial statements

|                    |    | <b>Variance<br/>with Final<br/>Budget<br/>Positive<br/>(Negative)</b> |       |
|--------------------|----|-----------------------------------------------------------------------|-------|
| <b>Actual</b>      |    |                                                                       |       |
|                    | \$ | 62,227                                                                |       |
| \$ 3,012,227       |    | (6,414)                                                               |       |
| 143,586            |    | (14,924)                                                              |       |
| 210,076            |    | 11,005                                                                |       |
| 221,005            |    | 19,770                                                                |       |
| 1,064,615          |    | (19,270)                                                              |       |
| 217,430            |    | (189,197)                                                             |       |
| 437,265            |    | (136,803)                                                             |       |
| <u>5,306,204</u>   |    |                                                                       | 7.86% |
|                    |    |                                                                       |       |
| 504,889            |    | 20,281                                                                |       |
| 597,076            |    | 10,924                                                                |       |
| 401,836            |    | 10,289                                                                |       |
| 1,586,706          |    | (12,581)                                                              |       |
| 765,007            |    | 43,988                                                                |       |
| 724,820            |    | (2,395)                                                               |       |
| 310,701            |    | 15,974                                                                |       |
| 194,976            |    | 6,274                                                                 |       |
| <u>5,086,011</u>   |    | <u>92,754</u>                                                         |       |
|                    |    |                                                                       |       |
| <u>220,193</u>     |    | <u>(44,049)</u>                                                       |       |
|                    |    |                                                                       |       |
| 568,715            |    | 245,846                                                               |       |
| <u>(1,037,413)</u> |    | <u>(15)</u>                                                           |       |
| <u>(468,698)</u>   |    | <u>245,831</u>                                                        |       |
|                    |    |                                                                       |       |
| (248,505)          | \$ | <u>201,782</u>                                                        |       |
|                    |    |                                                                       |       |
| <u>1,161,408</u>   |    |                                                                       |       |
|                    |    |                                                                       |       |
| <u>\$ 912,903</u>  |    |                                                                       |       |

See accompanying notes to financial statements

**CITY OF LIVINGSTON, TEXAS**  
**STATEMENT OF NET ASSETS PROPRIETARY FUNDS**  
**SEPTEMBER 30, 2010**

---

**Business-Type Activities - Enterprise Fund**

|                                                   | <b><u>Electric<br/>Water and<br/>Sewer</u></b> |
|---------------------------------------------------|------------------------------------------------|
| <b><u>ASSETS</u></b>                              |                                                |
| Current assets:                                   |                                                |
| Cash                                              | \$ 940,186                                     |
| Certificates of deposit                           | 1,500,000                                      |
| Restricted assets                                 |                                                |
| Cash in bank, water and sewer system improvements | 109,484                                        |
| Cash in bank, reserve fund                        | 16,439                                         |
| Receivables:                                      |                                                |
| Returned checks receivable                        | 23,070                                         |
| Utility accounts receivable                       | <u>1,586,632</u>                               |
| Total Current Assets                              | <u>4,175,811</u>                               |
| Noncurrent assets:                                |                                                |
| Capital assets:                                   |                                                |
| Land                                              | 679,488                                        |
| Building and improvements                         | 463,474                                        |
| Equipment and fixtures                            | 1,976,224                                      |
| Electrical system                                 | 4,689,258                                      |
| Water system                                      | 6,946,465                                      |
| Sewer system                                      | 7,351,018                                      |
| Water service contract rights                     | <u>2,785,000</u>                               |
|                                                   | 24,890,927                                     |
| Less accumulated depreciation                     | <u>(6,993,889)</u>                             |
| Net capital assets                                | <u>17,897,038</u>                              |
| Total Assets                                      | <u>\$ 22,072,849</u>                           |

See accompanying notes to financial statements

**CITY OF LIVINGSTON, TEXAS**  
**STATEMENT OF NET ASSETS PROPRIETARY FUNDS**  
**SEPTEMBER 30, 2010**

---

**Business-Type Activities - Enterprise Fund**

**Electric  
Water and  
Sewer**

**LIABILITIES**

Current liabilities:

|                                             |                  |
|---------------------------------------------|------------------|
| Accounts payable                            | \$ 973,245       |
| Meter deposits                              | 395,648          |
| Contracts payable - Trinity River Authority | <u>70,000</u>    |
| Total current liabilities                   | <u>1,438,893</u> |

Noncurrent liabilities:

|                                             |                  |
|---------------------------------------------|------------------|
| Contracts payable - Trinity River Authority | <u>2,715,000</u> |
| Total noncurrent liabilities                | <u>2,715,000</u> |

|                   |                  |
|-------------------|------------------|
| Total liabilities | <u>4,153,893</u> |
|-------------------|------------------|

**NET ASSETS**

|                                                          |                  |
|----------------------------------------------------------|------------------|
| Invested in capital assets (net of related debt)         | 15,112,038       |
| Restricted for water and sewer system improvements       | 109,484          |
| Restricted for Trinity River Authority contracts payable | 16,439           |
| Unrestricted                                             | <u>2,680,995</u> |

|                  |                      |
|------------------|----------------------|
| Total Net Assets | <u>\$ 17,918,956</u> |
|------------------|----------------------|

See accompanying notes to financial statements



**CITY OF LIVINGSTON, TEXAS**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS**  
**PROPRIETARY FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2010**

---

|                                 | <u><b>Business-Type Activities - Enterprise Fund</b></u> |
|---------------------------------|----------------------------------------------------------|
|                                 | <u><b>Electric<br/>Water and<br/>Sewer</b></u>           |
| <u>Operating revenues</u>       |                                                          |
| Charges for sales and services: |                                                          |
| Electricity sales               | \$ 9,398,055                                             |
| Water sales                     | 1,725,164                                                |
| Sewer service charges           | 1,276,276                                                |
| Penalties, utilities            | 144,319                                                  |
| Water tapping fees              | 5,625                                                    |
| Sewer tapping fees              | 3,200                                                    |
| Recoveries, electrical          | 701,086                                                  |
| Recoveries, water               | 596,134                                                  |
| Revenue, night lights           | 76,498                                                   |
| Service fees                    | 42,554                                                   |
| Total Operating Revenues        | <u>13,968,911</u>                                        |
| <u>Operating expenses</u>       |                                                          |
| Light and Power Department      | 9,535,619                                                |
| Water Department                | 1,921,994                                                |
| Sewer Department                | 509,656                                                  |
| Depreciation                    | 394,817                                                  |
| Total Operating Expenses        | <u>12,362,086</u>                                        |
| Operating Income                | 1,606,825                                                |
| Non-operating revenues:         |                                                          |
| Interest income                 | <u>18,495</u>                                            |
| Income Before Transfers         | 1,625,320                                                |
| Transfers In                    | 431,726                                                  |
| Transfers Out                   | (568,715)                                                |
| Change in net assets            | 1,488,331                                                |
| Total net assets - beginning    | <u>16,430,625</u>                                        |
| Total net assets - ending       | <u>\$ 17,918,956</u>                                     |

See accompanying notes to financial statements

**CITY OF LIVINGSTON, TEXAS  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2010**

---

|                                                            | <b><u>Business-Type Activities - Enterprise Fund</u></b> |
|------------------------------------------------------------|----------------------------------------------------------|
|                                                            | <b><u>Electric<br/>Water and<br/>Sewer</u></b>           |
| Cash flows from operating activities:                      |                                                          |
| Cash received from customers                               | \$ 13,693,774                                            |
| Cash payments to suppliers for goods and services          | (10,683,054)                                             |
| Cash payments to employees for services                    | <u>(1,188,289)</u>                                       |
| Net cash provided by operating activities                  | <u>1,822,431</u>                                         |
| Cash flows from noncapital financing activities:           |                                                          |
| Transfers from other funds                                 | 431,726                                                  |
| Transfers to other funds                                   | <u>(568,715)</u>                                         |
| Net cash used by noncapital financing activities           | <u>(136,989)</u>                                         |
| Cash flows from capital and related financing activities:  |                                                          |
| Acquisition of capital assets                              | <u>(1,207,277)</u>                                       |
| Net cash used for capital and related financing activities | <u>(1,207,277)</u>                                       |
| Cash flows from investing activities:                      |                                                          |
| Interest on cash and investments                           | <u>18,495</u>                                            |
| Net cash provided by investing activities                  | <u>18,495</u>                                            |
| NET CHANGE IN CASH AND CASH EQUIVALENTS                    | 496,660                                                  |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR             | <u>569,449</u>                                           |
| CASH AND CASH EQUIVALENTS AT END OF YEAR                   | <u>\$ 1,066,109</u>                                      |

(Continued)

**CITY OF LIVINGSTON, TEXAS  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2009**

---

**Business-Type Activities - Enterprise Fund**

|                                                                                                    | <b><u>Electric<br/>Water and<br/>Sewer</u></b> |
|----------------------------------------------------------------------------------------------------|------------------------------------------------|
| Reconciliation of income from operations to net cash<br>provided by operating activities:          |                                                |
| Income from operations                                                                             | \$ 1,606,825                                   |
| Adjustments to reconcile operating net income to net<br>net cash provided by operating activities: |                                                |
| Depreciation                                                                                       | 394,817                                        |
| Change in operating assets and liabilities:                                                        |                                                |
| Returned checks receivable                                                                         | 390                                            |
| Utility accounts receivable                                                                        | (275,137)                                      |
| Accounts payable                                                                                   | 83,336                                         |
| Meter deposits                                                                                     | <u>12,200</u>                                  |
| Total adjustments                                                                                  | <u>215,606</u>                                 |
| Net cash provided by operating activities                                                          | <u>\$ 1,822,431</u>                            |
| Reconciliation of total cash and cash investments:                                                 |                                                |
| Unrestricted                                                                                       | \$ 940,186                                     |
| Restricted                                                                                         |                                                |
| Cash in bank, water and sewer system improvements                                                  | 109,484                                        |
| Cash in bank, reserve fund                                                                         | <u>16,439</u>                                  |
| Total cash and cash equivalents                                                                    | <u>\$ 1,066,109</u>                            |
|                                                                                                    | (Concluded)                                    |

See accompanying notes to financial statements

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

**CITY OF LIVINGSTON, TEXAS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2010**

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 include those principles prescribed by the Governmental Accounting Standards Board (GASB), the American Institute of Certified Public Accountants in the publication entitled Audits of State and Local Governmental Units and by the Financial Accounting Standards Board (when applicable). The City applies all relevant Government Accounting Standards Board (GASB) pronouncements and applicable Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless they conflict with GASB pronouncements. The City does not apply FASB pronouncements or APB opinions issued after November 30, 1989.

The following notes are organized to provide explanations, including required disclosures, of the City's financial activities for the fiscal year ended September 30, 2010.

**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 assets and the statement of changes in net assets) report information on all of 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 not properly included among program revenues are reported instead as general revenues. Interfund services provided and used are not eliminated in the government-wide statement of activities.

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

### Fund Financial Statements

The City segregates transactions related to certain functions or activities in separate funds in order 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 funds:

**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.

**Debt Service Fund** - The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, capitalized lease obligations, interest, and related costs paid primarily from taxes levied by the City. The fund balance of the Debt Service Fund is reserved to signify the amounts that are restricted exclusively for debt service expenditures.

**Capital Projects Fund** - Capital Projects Fund is used to account for funds received and expended for the construction and renovation of thoroughfares, arterial streets and improvements in the City.

### Proprietary Funds

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 Assets. 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 insure 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.

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

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 assets and the operating statements present increases (revenues) and decreases (expenses) in total net assets. 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.

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 fair market 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. The depreciation related to these assets has historically not been reported in the financial statements. The retroactive reporting of infrastructure was subject to an extended implementation period; however, the City's infrastructure records allowed for a complete implementation in the fiscal year ended September 30, 2003.

## **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, Debt Service, Streets and Capital Projects and Electric, Water and Sewer Funds.
- (5) Budgets for the General, Debt Service, Capital Projects 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, 2010 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 any excess cash in certificates of deposit, which are insured or fully collateralized. These are carried at cost in the financial statements. The City does not have any investments that are reported at amortized costs.



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

### Nature and Purposes of Reservations of Fund Equity

The City sets aside funds that can be used only for various capital projects.

### Pensions

The provision for pension cost is recorded on an accrual basis, and the City's policy is to fund pension costs as they accrue.

### Net Assets

Net assets represent the difference between assets and liabilities. Net assets 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 assets are 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 are an approximation of market value. A revaluation of all real property must be made every year. The last revaluation date was January 1, 2010.

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.

### 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.

### 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.

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

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 Electric, Water and Sewer Fund from the Capital Projects Fund, from the General Fund to the Debt Service Fund and from the Electric, Water and Sewer Fund to the General Fund.

Transfers In and Out

The following is a summary of interfund transfers for the year ended September 30, 2010:

| <u>Fund</u>                    | <u>Transfer In</u>  | <u>Transfer Out</u> |
|--------------------------------|---------------------|---------------------|
| General Fund                   | \$ 568,715          | \$ 1,037,413        |
| Debt Service Fund              | 1,037,413           | -                   |
| Capital Projects Fund          | -                   | 431,726             |
| Electric, Water and Sewer Fund | <u>431,726</u>      | <u>568,715</u>      |
| Total                          | <u>\$ 2,037,854</u> | <u>\$ 2,037,854</u> |

Transfers were made from the Electric, Water and Sewer Fund to the General Fund to compensate for general revenue shortfalls. Transfers from the General Fund to the Debt Service Fund were made to meet bond principal and interest obligations. Transfers from the Capital projects Fund to the Electric, Water and Sewer Fund were used for improvements to the water supply system.

**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:**

As of September 30, 2010, the City had the following investments:

| <u>Investment<br/>Type</u>          | <u>Fair<br/>Value</u> | <u>Weighted Average<br/>Maturity (Years)</u> |
|-------------------------------------|-----------------------|----------------------------------------------|
| Non-Pooled Certificates of Deposit  | <u>\$ 1,650,000</u>   | 0.195                                        |
| Total Fair Value                    | <u>\$ 1,650,000</u>   |                                              |
| Portfolio weighted average maturity |                       | 0.195                                        |

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.

**NOTE 3    DEPOSITS AND INVESTMENTS: (Continued)**

Credit Risk

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, 2010 the City had no investments other than certificates of deposit.

Custodial Credit Risk – Investments

The certificates of deposit are either fully insured or collateralized by securities held in the City of Livingston's name.

**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, 2010.

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 2010, but the Mayor and Council will evaluate the need to assess taxes in the future.

**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, 2010:

|                                                       |                     |
|-------------------------------------------------------|---------------------|
| Governmental funds capital outlays                    | \$ 497,770          |
| Governmental funds depreciation expense               | <u>(921,598)</u>    |
| Amount by which capital outlays exceeded depreciation | <u>\$ (423,828)</u> |
| Repayment of principal of long-term debt              | 745,000             |
| Amortization of bond issue costs                      | <u>(15,915)</u>     |
| Total repayment of bonds and issue costs              | <u>\$ 729,085</u>   |

**NOTE 6 CAPITAL ASSETS:**

Capital asset activity for the year ended September 30, 2010 was as follows:

|                                             | Balance<br>October 1,<br>2009 | Additions           | Retirements/<br>Adjustments | Balance<br>September 30,<br>2010 |
|---------------------------------------------|-------------------------------|---------------------|-----------------------------|----------------------------------|
| <b>Governmental Activities:</b>             |                               |                     |                             |                                  |
| Capital assets not being depreciated        |                               |                     |                             |                                  |
| Land                                        | <u>\$ 476,004</u>             | <u>\$ -</u>         | <u>\$ -</u>                 | <u>\$ 476,004</u>                |
| Capital assets being depreciated            |                               |                     |                             |                                  |
| Building and Improvements                   | 3,774,274                     | 52,132              | -                           | 3,826,406                        |
| Equipment and Fixtures                      | 4,370,356                     | 137,285             | -                           | 4,507,641                        |
| Paving, Sidewalks and Streets               | 13,452,669                    | 308,353             | -                           | 13,761,022                       |
| Parks Development                           | 3,144,320                     | -                   | -                           | 3,144,320                        |
| Airport Improvements                        | <u>719,574</u>                | <u>-</u>            | <u>-</u>                    | <u>719,574</u>                   |
| Total capital assets being depreciated      | <u>25,461,193</u>             | <u>497,770</u>      | <u>-</u>                    | <u>25,958,963</u>                |
| Less accumulated depreciation for:          |                               |                     |                             |                                  |
| Buildings and Improvements                  | (1,496,689)                   | (115,530)           | -                           | (1,612,219)                      |
| Equipment and Fixtures                      | (3,437,317)                   | (213,695)           | -                           | (3,651,012)                      |
| Paving, Sidewalks and Streets               | (7,707,530)                   | (459,855)           | -                           | (8,167,385)                      |
| Parks Development                           | (1,962,322)                   | (114,032)           | -                           | (2,076,354)                      |
| Airport Improvements                        | <u>(521,578)</u>              | <u>(18,486)</u>     | <u>-</u>                    | <u>(540,064)</u>                 |
| Total accumulated depreciation              | <u>(15,125,436)</u>           | <u>(921,598)</u>    | <u>-</u>                    | <u>(16,047,034)</u>              |
| Total capital assets being depreciated, net | <u>10,335,757</u>             | <u>(423,828)</u>    | <u>-</u>                    | <u>9,911,929</u>                 |
| Governmental activities capital assets, net | <u>\$ 10,811,761</u>          | <u>\$ (423,828)</u> | <u>\$ -</u>                 | <u>\$ 10,387,933</u>             |

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

|                                              | Balance<br>October 1,<br>2009 | Additions           | Retirements/<br>Adjustments | Balance<br>September 30,<br>2010 |
|----------------------------------------------|-------------------------------|---------------------|-----------------------------|----------------------------------|
| Business-type Activities:                    |                               |                     |                             |                                  |
| Capital assets not being depreciated         |                               |                     |                             |                                  |
| Land                                         | \$ 629,613                    | \$ 49,875           | \$ -                        | \$ 679,488                       |
| Water Service Contract Rights                | 140,000                       | 2,715,000           | (70,000)                    | 2,785,000                        |
|                                              | <u>769,613</u>                | <u>2,764,875</u>    | <u>(70,000)</u>             | <u>3,464,488</u>                 |
| Capital assets being depreciated             |                               |                     |                             |                                  |
| Building and Improvements                    | 463,474                       | -                   | -                           | 463,474                          |
| Equipment and Fixtures                       | 1,964,243                     | 11,981              | -                           | 1,976,224                        |
| Electrical System                            | 4,430,284                     | 258,974             | -                           | 4,689,258                        |
| Water System                                 | 6,281,573                     | 664,892             | -                           | 6,946,465                        |
| Sewer System                                 | 7,129,463                     | 221,555             | -                           | 7,351,018                        |
| Total capital assets being depreciated       | <u>20,269,037</u>             | <u>1,157,402</u>    | <u>-</u>                    | <u>21,426,439</u>                |
| Less accumulated depreciation for:           |                               |                     |                             |                                  |
| Building and Improvements                    | (141,301)                     | (9,270)             | -                           | (150,571)                        |
| Equipment and Fixtures                       | (1,456,377)                   | (107,164)           | -                           | (1,563,541)                      |
| Electrical System                            | (1,213,488)                   | (70,584)            | -                           | (1,284,072)                      |
| Water System                                 | (1,699,192)                   | (99,197)            | -                           | (1,798,389)                      |
| Sewer System                                 | (2,088,714)                   | (108,602)           | -                           | (2,197,316)                      |
| Total accumulated depreciation               | <u>(6,599,072)</u>            | <u>(394,817)</u>    | <u>-</u>                    | <u>(6,993,889)</u>               |
| Total capital assets being depreciated, net  | <u>13,669,965</u>             | <u>762,585</u>      | <u>-</u>                    | <u>14,432,550</u>                |
| Business-type activities capital assets, net | <u>\$ 14,439,578</u>          | <u>\$ 3,527,460</u> | <u>\$ (70,000)</u>          | <u>\$ 17,897,038</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 2010, net interest costs were not capitalized because interest expenditures related to constructed assets net of related interest revenue were not material.

The acquisition of water service contract rights were financed with bonds issued by the Trinity River Authority (See Note 11) in a non cash financing transaction.

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

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

|                            |                   |
|----------------------------|-------------------|
| Governmental Activities    |                   |
| Administrative             | \$ 48,596         |
| Sanitation                 | 120               |
| Fire                       | 32,723            |
| Police                     | 94,358            |
| Paving and street          | 522,454           |
| Parks and recreation       | 177,849           |
| Library                    | 34,990            |
| Garage                     | 10,508            |
| Governmental Activities    | <u>\$ 921,598</u> |
| Business-type activities   |                   |
| Electric, Water and Street | <u>\$ 394,817</u> |

The City did not have any significant active construction projects as of September 30, 2010.

**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 in the statewide Texas Municipal Retirement System (TMRS), an agent multiple-employer public employee retirement system.

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 (100%, 150%, or 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 plan provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS and within the actuarial constraints also in the statutes.

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

Two-thirds of the cities participating in TMRS have adopted the Updated Service Credit and Annuity Increases provisions on an annually repeating basis. For the December 31, 2007 valuation, the TMRS Board determined that the Projected Unit funding method should be used, which facilitates advance funding for future updated service credits and annuity increases that are adopted on an annually repeating basis. In addition, the Board also adopted a change in the amortization period from a 25-year "open" to a 30-year "closed" period.

**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. This rate consists of the normal cost contribution rate and the prior service cost contribution rate, both of which are calculated to be a level percent of payroll from year to year. The normal cost contribution rate finances the currently accruing monetary credits due to the City's matching percent, which are payable by the City as of an employee's retirement date, not at the time the employee's contributions are made. The normal cost contribution rate is the actuarially determined percent of payroll necessary to satisfy the obligation of the City to each employee at the time his/her retirement becomes effective. The prior service contribution rate amortizes the unfunded actuarial liability over the remainder of the plan's 30-year amortization period. When the City periodically adopts updated service credits and increases in annuities in effect, the increased unfunded actuarial liability is to be amortized over a 30-year period. Currently, the unfunded actuarial liability is being amortized over the 30-year period, which began January 2007. The amortization period is closed. The actuarial assumptions included (a) a 7.5% investment rate of return (net of administrative expenses), (b) projected salary increases vary by age and years of service, and cost of living adjustments are 2.1%, and (c) an inflation rate of 3.0%. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll. Both the employees and the City make contributions monthly. Since the City needs to know its contribution rate in advance to budget for it, there is a one-year delay between the actuarial valuation that is the basis for the rate and the calendar year when the rate goes into effect. (i.e. December 31, 2009 valuation is effective for rates beginning January 2010). For fiscal year 2010, the City's annual pension cost of \$481,383 was equal to the City's required and actual contributions.

**Schedule of Actuarial Liabilities and Funding Progress**

|                                                           |              |
|-----------------------------------------------------------|--------------|
| Actuarial Valuation Date                                  | 12/31/2009   |
| Actuarial Value of Assets                                 | \$8,883,996  |
| Actuarial Accrued Liability                               | \$12,916,237 |
| Percentage Funded                                         | 68.8%        |
| Unfunded (Over-funded) Actuarial Accrued Liability (UAAL) | \$4,032,241  |
| Annual Covered Payroll                                    | \$2,993,527  |
| UAAL as a percentage of covered payroll                   | 134.7%       |

The plan utilizes the 10-year smoothed market method with a 25% corridor for determining the actuarial value of assets. This keeps the actuarial value within a certain range of the market value of assets and smoothes the market fluctuations.

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

|                                                             |            |                |
|-------------------------------------------------------------|------------|----------------|
| Net Pension Obligation (NPO) at the Beginning of the Period |            | \$ _____ -     |
| Annual Pension Cost:                                        |            |                |
| Annual Required Contribution (ARC)                          | \$ 481,383 |                |
| Interest on NPO                                             | -          |                |
| Adjustment to the ARC                                       | _____ -    | 481,383        |
| Contributions Made                                          |            | _____(481,383) |
| Increase in NPO                                             |            | _____ -        |
| NPO at the end of the period                                |            | \$ _____ -     |

**Six Year Trend Information**

| <u>Fiscal Year Funding</u> | <u>Annual Pension Cost (APC)</u> | <u>Percentage of APC Contributed</u> | <u>Net Pension Obligation</u> |
|----------------------------|----------------------------------|--------------------------------------|-------------------------------|
| 9/30/2005                  | 359,799                          | 100%                                 | -                             |
| 9/30/2006                  | 369,679                          | 100%                                 | -                             |
| 9/30/2007                  | 364,665                          | 100%                                 | -                             |
| 9/30/2008                  | 382,053                          | 100%                                 | -                             |
| 9/30/2009                  | 464,952                          | 100%                                 | -                             |
| 9/30/2010                  | 481,383                          | 100%                                 | -                             |

Additional supplementary three-year trend information may be found on page 52.

The defined benefit pension plan's annual report is included with the audited financial statements of the Texas Municipal Retirement System (TMRS), a copy of which can be obtained from TMRS at P.O. Box 149153, Austin, Texas 78714-9153 or by calling 800-924-8677. In addition, the report is available on the TMRS website at [www.TMRS.com](http://www.TMRS.com).

**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 cost sharing multiple-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 address above.



**NOTE 8 SUPPLEMENTAL DEATH BENEFITS: (Continued)****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 and is a fixed amount of \$7,500.

**Contributions**

Contributions are made monthly based on the covered payroll of employee members. The contribution rate is based upon mortality and service experience of all employees covered by the plan determined actuarially in accordance with the parameters of GASB Statement 45. That rate for 2009 was .5% of covered payroll. The rate is equal to the cost of providing one-year term life insurance. The City's contribution to the supplemental death benefit plan for the years ended September 30, 2010, 2009, and 2008 were \$14,968, \$10,178, and \$9,301, respectively, which equaled the required contributions each year. The valuation date for the plan is December 31, 2009 using the projected unit credit method. The amortization method is level percent of payroll and the amortization period is 25-years, open period. Investment return is assumed to be 4.25% and inflation is 3.0%. No salary increases or cost of living adjustments are included. Assets of the plan are valued at fund value.

**NOTE 9 LONG-TERM DEBT:**

The following is a summary of bonds payable of the City for the year ended September 30, 2010:

|                                                                                                                                                                                                                                                                                               | <u>Governmental-Type<br/>Activities</u> |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------|
| \$5,000,000 Certificates of Obligation, Series 2002 B, street and drainage improvements, due in annual installments of \$290,000 to \$450,000 through 2017, interest at 3.25% to 4.20% to be paid from taxes and subordinated pledge of the net revenues of Proprietary Fund                  | \$ 2,810,000                            |
| \$1,500,000 Certificates of Obligation, Series 2007, library construction and utility system improvements, due in annual installments of \$165,000 to \$500,000 through 2018, interest at 3.75% to 4.0% to be paid from taxes and subordinated pledge of the net revenues of Proprietary Fund | 1,245,000                               |
| \$3,055,000 General Obligation Refunding Bonds, Series 2007, due in annual installments of \$340,000 to \$440,000 through 2017, interest at 3.75% to 4.0% to be paid from taxes and subordinated pledge of the net revenues of Proprietary Fund                                               | <u>2,735,000</u>                        |
| Total Bonds Payable                                                                                                                                                                                                                                                                           | <u>\$ 6,790,000</u>                     |

**NOTE 9 LONG-TERM DEBT: (CONTINUED)**

## Changes in Outstanding Debt-

|                                     | Balance<br>October 1,<br>2009 | Issues or<br>Additions | Payments or<br>Expenditures | Balance<br>September 30,<br>2010 | Due Within<br>One Year |
|-------------------------------------|-------------------------------|------------------------|-----------------------------|----------------------------------|------------------------|
| <u>Governmental Type Activities</u> |                               |                        |                             |                                  |                        |
| General Obligation Bonds            | \$ 3,050,000                  | \$ -                   | \$ 315,000                  | \$ 2,735,000                     | \$340,000              |
| Certificates of Obligation          | <u>4,485,000</u>              | <u>-</u>               | <u>430,000</u>              | <u>4,055,000</u>                 | <u>450,000</u>         |
| Total government                    | <u>\$ 7,535,000</u>           | <u>\$ -</u>            | <u>\$ 745,000</u>           | <u>\$ 6,790,000</u>              | <u>\$ 790,000</u>      |

## General Obligation Bonds and Certificates of Obligation-

General Obligation Bonds are direct obligations issued on a pledge of the general taxing power for the payment of the debt obligations of the City. General Obligation Bonds and Certificates of Obligation require the City to compute, at the time other taxes are levied, the rate of tax required to provide (in each year bonds are outstanding) a fund to pay interest and principal at maturity. Though the City does not currently assess property taxes to meet this obligation, through the budgeting process, the City is in compliance with this requirement.

The 2007 and 2002 B Certificates of Obligation constitute direct tax obligations of the City payable from ad valorem taxes levied, within the limits prescribed by law, against all taxable property within the City and are additionally secured by a subordinate pledge of the surplus of net revenues of the City's Electric, Water, and Sewer Fund.

The City does not currently assess ad valorem taxes; however, the certificates of obligation and general obligation debt is expected to be repaid through sales tax and other general revenue receipts.

The advance refunding of the 1997 certificates of obligation using the 2007 general obligation refunding bonds resulted in a reduction in total debt service requirements of \$338,607. The 1997 bonds were retired at the time of the refunding, and there is no outstanding in-substance defeased debt.

**NOTE 9 LONG-TERM DEBT: (CONTINUED)**

## Annual Requirements to Retire Debt Obligations-

The annual aggregate maturities for each bond type for the years subsequent to September 30, 2010, are as follows:

General Obligation Bonds

| Year<br>Ending<br>Sept. 30, | Governmental Activities |                   |                     |
|-----------------------------|-------------------------|-------------------|---------------------|
|                             | Principal               | Interest          | Total               |
| 2011                        | 340,000                 | 109,400           | 449,400             |
| 2012                        | 360,000                 | 95,800            | 455,800             |
| 2013                        | 375,000                 | 81,400            | 456,400             |
| 2014                        | 390,000                 | 66,400            | 456,400             |
| 2015                        | 410,000                 | 50,800            | 460,800             |
| 2016-2017                   | 860,000                 | 52,000            | 912,000             |
| Total                       | <u>\$ 2,735,000</u>     | <u>\$ 455,800</u> | <u>\$ 3,190,800</u> |

Certificates of Obligation

| Year<br>Ending<br>Sept. 30, | Governmental Activities |                   |                     |
|-----------------------------|-------------------------|-------------------|---------------------|
|                             | Principal               | Interest          | Total               |
| 2011                        | 450,000                 | 157,821           | 607,821             |
| 2012                        | 470,000                 | 141,738           | 611,738             |
| 2013                        | 485,000                 | 124,788           | 609,788             |
| 2014                        | 505,000                 | 106,736           | 611,736             |
| 2015                        | 525,000                 | 87,135            | 612,135             |
| 2016-2018                   | 1,620,000               | 129,835           | 1,749,835           |
| Total                       | <u>\$ 4,055,000</u>     | <u>\$ 748,053</u> | <u>\$ 4,803,053</u> |

The ordinances authorizing the issuance of Certificates of Obligation bonds created an Interest and Sinking Fund (Debt Service Fund). The ordinances require the City to provide a reserve fund which is adequate to meet principal and interest as it comes due.

**NOTE 10 RAW WATER SUPPLY CONTRACT:**

On February 22, 1978, the City entered into 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, beginning August, 1978. 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. The annual average daily amounts of raw water that TRA is obligated to sell to the City is 5.0 MGD through 2020.

**NOTE 11 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. On March 10, 1979, the TRA issued \$3,485,000 in bonds to pay for the acquisition of the system. In December, 1991 the TRA issued \$1,600,000 in bonds to expand the capabilities of the system to meet the requirements of the City. The bonds were secured by the net revenues of the City's combined waterworks and sanitary sewer system. During the year ended September 30, 2003, the 1979 and 1991 bonds with an outstanding balance of \$1,295,000 were refunded through the issuance of \$870,000 of new bonds and the utilization of \$468,741 of reserve funds on deposit with the TRA. The effect was to reduce the total debt service requirement by \$707,000 over the life of the bonds.

In September, 2010 the TRA issued \$2,715,000 in bonds 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.

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, 2010, the City paid approximately \$72,000 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> |
|----------------------|----------------------------|
| 2011                 | \$ 153,751                 |
| 2012                 | 171,263                    |
| 2013                 | 169,763                    |
| 2014                 | 168,263                    |
| 2015                 | 171,763                    |
| 2016-2034            | <u>3,583,710</u>           |
| Total                | <u>\$ 4,418,513</u>        |

**Changes in Long-term Contracts Payable-**

|                                 | <u>Balance<br/>October 1,<br/>2009</u> | <u>Issues or<br/>Additions</u> | <u>Payments or<br/>Expenditures</u> | <u>Balance<br/>September 30,<br/>2010</u> | <u>Due Within<br/>One Year</u> |
|---------------------------------|----------------------------------------|--------------------------------|-------------------------------------|-------------------------------------------|--------------------------------|
| <u>Business Type Activities</u> |                                        |                                |                                     |                                           |                                |
| Contracts payable               | \$ 140,000                             | \$ 2,715,000                   | \$ 70,000                           | \$ 2,785,000                              | \$ 70,000                      |
| Total business                  | <u>\$ 140,000</u>                      | <u>\$ 2,715,000</u>            | <u>\$ 70,000</u>                    | <u>\$ 2,785,000</u>                       | <u>\$ 70,000</u>               |

**NOTE 12 ENERGY AND POWER CONTRACT:**

The City entered into a contract with the Sam Rayburn Municipal Power Agency (Agency) on May 1, 1981 for the purchase of power and energy. The contract became effective upon the delivery to the Agency of the proceeds from the sale of the initial series of bonds. The contract will remain in force until all the bonds shall have been paid or provision for such payment shall have been made pursuant to the indenture, i.e., 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 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. In addition, the Agency has agreed to enter into a Requirements Power Supply Agreement with Entergy which allows the Agency to purchase its delivered power and energy supply at a fixed price, sufficient to service the retail loads and normal load growth of the cities it currently serves through the term of its existing contracts through 2021. The City expects that rate stabilization should enable them to avoid the annual rate increases to customers previously scheduled to occur.

The Agency was able to rebate to participating cities a portion of their power purchases in 2010. Reflected in the revenues for the Electric, Water and Sewer Fund is an approximate \$700,000 rebate of power costs.

**NOTE 13 RELATED PARTY TRANSACTIONS:**

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

**NOTE 14 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 of the proceedings are being handled by the City's insurance carrier. No losses are accrued in relation to these proceedings.

**NOTE 15 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, 2010 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 received approximately \$341,000 in federal grants in 2010 principally related to street improvements. These amounts are included in miscellaneous income for the general fund.

**NOTE 16 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, with the exception of 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 17 SANITATION DEPARTMENT CONTRACT:**

The City contracted with Waste Services for a five-year period to operate its sanitation department which expires in 2013. The contract will be automatically extended for an additional five-year term with the same terms and conditions unless terminated by either party. The City continues to perform all billing and administrative procedures, but all employees and equipment for the sanitation department have been eliminated.

**NOTE 18 GOLF COURSE LEASE AGREEMENT:**

The City entered into an agreement to lease the municipal golf course for a five-year period to Paul Hendrix, commencing September 6, 2005, with a renewal to extend the lease until September 6, 2015 approved in August, 2010. Under the terms of the lease, the City will receive \$1.00 per year in rent.

**NOTE 19 RECLASSIFICATION:**

Certain amounts have been reclassified in the financial statements from the previous year to conform to current year reporting requirements. The reclassifications did not affect beginning of year net assets or fund balances.

## **REQUIRED SUPPLEMENTARY INFORMATION**



**CITY OF LIVINGSTON, TEXAS**  
**REQUIRED SUPPLEMENTAL INFORMATION-TEXAS MUNICIPAL RETIREMENT SYSTEM**  
**ANALYSIS OF FUNDING PROGRESS**  
**Last Three Fiscal Years**

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| <b>Actuarial<br/>Valuation<br/>Date</b> | <b>(1)<br/>Actuarial<br/>Value of<br/>Assets **</b> | <b>(2)<br/>Actuarial<br/>Accrued<br/>Liability<br/>(AAL) Unit<br/>Credit *</b> | <b>(3)<br/>Unfunded<br/>AAL (UAAL)</b> | <b>(4)<br/>Funded<br/>Ratio<br/>(1)/(2)</b> | <b>(5)<br/>Annual<br/>Covered<br/>Payroll</b> | <b>(6)<br/>Unfunded<br/>Actuarial<br/>Accrued<br/>Liability<br/>As a<br/>Percentage<br/>of Covered<br/>Payroll</b> |
|-----------------------------------------|-----------------------------------------------------|--------------------------------------------------------------------------------|----------------------------------------|---------------------------------------------|-----------------------------------------------|--------------------------------------------------------------------------------------------------------------------|
| 12/31/2007 (A)                          | \$ 8,609,108                                        | \$ 12,207,469                                                                  | \$ 3,598,361                           | 70.52%                                      | \$ 2,608,445                                  | 137.95%                                                                                                            |
| 12/31/2008                              | 7,960,183                                           | 11,751,010                                                                     | 3,790,827                              | 67.74%                                      | 2,936,949                                     | 129.07%                                                                                                            |
| 12/31/2009                              | 8,883,996                                           | 12,916,237                                                                     | 4,032,241                              | 68.78%                                      | 2,993,527                                     | 134.70%                                                                                                            |

\* As of December 31 of the preceding year, the date of the actuarial valuation.

\*\* Assets are stated at amortized cost as of December 31 of the preceding year.

(A) For the year ended December 31, 2007 the Texas Municipal Retirement System changed its actuarial funding method from the Unit Credit to the Projected Unit Credit method.

See independent auditor's report.

**OTHER SUPPLEMENTARY INFORMATION**

**SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES – BUDGET TO ACTUAL**

**CITY OF LIVINGSTON, TEXAS  
BUDGETARY COMPARISON SCHEDULE  
DEBT SERVICE FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2010**

|                                                                                    | <b>Budgeted Amounts GAAP Basis</b> |                  |              |
|------------------------------------------------------------------------------------|------------------------------------|------------------|--------------|
|                                                                                    | <b>Original</b>                    | <b>Revisions</b> | <b>Final</b> |
| <b><u>REVENUES</u></b>                                                             |                                    |                  |              |
| Miscellaneous                                                                      | \$ -                               | \$ -             | \$ -         |
| Total Revenues                                                                     | -                                  | -                | -            |
| <b><u>EXPENDITURES</u></b>                                                         |                                    |                  |              |
| Debt service:                                                                      |                                    |                  |              |
| Principal retirement                                                               | 745,000                            | -                | 745,000      |
| Interest                                                                           | 292,398                            | -                | 292,398      |
| Total Expenditures                                                                 | 1,037,398                          | -                | 1,037,398    |
| Excess (deficiency) of revenues over expenditures                                  | (1,037,398)                        | -                | (1,037,398)  |
| <b><u>OTHER FINANCING SOURCES</u></b>                                              |                                    |                  |              |
| Transfers in                                                                       | 1,037,398                          | -                | 1,037,398    |
| Total other financing sources                                                      | 1,037,398                          | -                | 1,037,398    |
| Excess of revenues and other financing<br>sources over expenditures and other uses | \$ -                               | \$ -             | \$ -         |
| Fund balances at beginning of year                                                 |                                    |                  |              |
| Fund balance at end of year                                                        |                                    |                  |              |

| <u>Actual</u>    | <u>Variance<br/>with Final<br/>Budget<br/>Positive<br/>(Negative)</u> |
|------------------|-----------------------------------------------------------------------|
| \$ 1,781         | \$ 1,781                                                              |
| <u>1,781</u>     | <u>1,781</u>                                                          |
| 745,000          | -                                                                     |
| 292,398          | -                                                                     |
| <u>1,037,398</u> | <u>-</u>                                                              |
| (1,035,617)      | 1,781                                                                 |
| 1,037,413        | 15                                                                    |
| <u>1,037,413</u> | <u>15</u>                                                             |
| 1,796            | <u>\$ 1,796</u>                                                       |
| <u>58,323</u>    |                                                                       |
| <u>\$ 60,119</u> |                                                                       |

**CITY OF LIVINGSTON, TEXAS  
BUDGETARY COMPARISON SCHEDULE  
CAPITAL PROJECTS FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2010**

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|                                                                                                 | <b>Budgeted Amounts GAAP Basis</b> |                  |                     |
|-------------------------------------------------------------------------------------------------|------------------------------------|------------------|---------------------|
|                                                                                                 | <b>Original</b>                    | <b>Revisions</b> | <b>Final</b>        |
| <u>OTHER FINANCING SOURCES</u>                                                                  |                                    |                  |                     |
| Transfers out                                                                                   | (475,000)                          | -                | (390,000)           |
| Total other financing sources                                                                   | <u>(475,000)</u>                   | <u>-</u>         | <u>(390,000)</u>    |
| Excess (deficiency) of revenues and other financing<br>sources over expenditures and other uses | <u>\$ (475,000)</u>                | <u>\$ -</u>      | <u>\$ (390,000)</u> |
| Fund balance at beginning of year                                                               |                                    |                  |                     |
| Fund balance at end of year                                                                     |                                    |                  |                     |

| <b>Actual</b>     | <b>Variance<br/>with Final<br/>Budget<br/>Positive<br/>(Negative)</b> |
|-------------------|-----------------------------------------------------------------------|
| <u>(431,726)</u>  | <u>(41,726)</u>                                                       |
| <u>(431,726)</u>  | <u>(41,726)</u>                                                       |
| <br>(431,726)     | <br><u>\$ (41,726)</u>                                                |
| <u>650,228</u>    |                                                                       |
| <u>\$ 218,502</u> |                                                                       |

## **INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES**

## **GENERAL FUND**



**CITY OF LIVINGSTON, TEXAS  
GENERAL FUND - COMPARATIVE BALANCE SHEET  
SEPTEMBER 30, 2010 AND 2009**

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**ASSETS**

|                            | <b><u>2010</u></b>  | <b><u>2009</u></b>  |
|----------------------------|---------------------|---------------------|
| Cash                       | \$ 1,094,798        | \$ 1,345,307        |
| Receivables:               |                     |                     |
| Returned checks receivable | 2,428               | 2,101               |
| Paving accounts receivable | <u>35,332</u>       | <u>38,645</u>       |
| Total Assets               | <u>\$ 1,132,558</u> | <u>\$ 1,386,053</u> |

**LIABILITIES AND FUND BALANCES**

**LIABILITIES**

|                   |                   |                   |
|-------------------|-------------------|-------------------|
| Accounts payable  | \$ <u>219,655</u> | \$ <u>224,645</u> |
| Total Liabilities | <u>219,655</u>    | <u>224,645</u>    |

**FUND BALANCES**

|                                     |                     |                     |
|-------------------------------------|---------------------|---------------------|
| Reserve for library memorials       | 49,852              | 64,705              |
| Unreserved                          | <u>863,051</u>      | <u>1,096,703</u>    |
| Total Fund Balances                 | <u>912,903</u>      | <u>1,161,408</u>    |
| Total Liabilities and Fund Balances | <u>\$ 1,132,558</u> | <u>\$ 1,386,053</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, 2010**  
**WITH COMPARATIVE ACTUAL TOTALS FOR 2009**

|                                                                                              | <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                                                                                  | \$ 3,468,000                       | \$ (518,000)        | \$ 2,950,000        | \$ 3,012,227      |
| Franchise taxes                                                                              | 175,000                            | (25,000)            | 150,000             | 143,586           |
| Hotel/Motel taxes                                                                            | 285,000                            | (60,000)            | 225,000             | 210,076           |
| Licenses and permits                                                                         | 175,000                            | 35,000              | 210,000             | 221,005           |
| Charges for service                                                                          | 1,069,200                          | (24,355)            | 1,044,845           | 1,064,615         |
| Fines and forfeitures                                                                        | 216,000                            | 20,700              | 236,700             | 217,430           |
| Miscellaneous                                                                                | 518,950                            | 107,512             | 626,462             | 437,265           |
| Total Revenues                                                                               | <u>5,907,150</u>                   | <u>(464,143)</u>    | <u>5,443,007</u>    | <u>5,306,204</u>  |
| <b><u>EXPENDITURES</u></b>                                                                   |                                    |                     |                     |                   |
| Administrative                                                                               | 537,530                            | (12,360)            | 525,170             | 504,889           |
| Sanitation                                                                                   | 615,000                            | (7,000)             | 608,000             | 597,076           |
| Fire                                                                                         | 431,365                            | (19,240)            | 412,125             | 401,836           |
| Police                                                                                       | 1,553,925                          | 20,200              | 1,574,125           | 1,586,706         |
| Paving and street                                                                            | 880,920                            | (71,925)            | 808,995             | 765,007           |
| Parks and recreation                                                                         | 829,575                            | (107,150)           | 722,425             | 724,820           |
| Library                                                                                      | 375,100                            | (48,425)            | 326,675             | 310,701           |
| Garage                                                                                       | 222,280                            | (21,030)            | 201,250             | 194,976           |
| Total Expenditures                                                                           | <u>5,445,695</u>                   | <u>(266,930)</u>    | <u>5,178,765</u>    | <u>5,086,011</u>  |
| Excess of revenues over expenditures                                                         | <u>461,455</u>                     | <u>(197,213)</u>    | <u>264,242</u>      | <u>220,193</u>    |
| <b><u>OTHER FINANCING SOURCES (USES)</u></b>                                                 |                                    |                     |                     |                   |
| Transfers in                                                                                 | 322,869                            | -                   | 322,869             | 568,715           |
| Transfers out                                                                                | (1,037,398)                        | -                   | (1,037,398)         | (1,037,413)       |
| Total other financing sources (uses)                                                         | <u>(714,529)</u>                   | <u>-</u>            | <u>(714,529)</u>    | <u>(468,698)</u>  |
| Excess (deficiency) of revenues and other financing sources over expenditures and other uses | <u>\$ (253,074)</u>                | <u>\$ (197,213)</u> | <u>\$ (450,287)</u> | <u>(248,505)</u>  |
| Fund balances at beginning of year                                                           |                                    |                     |                     | <u>1,161,408</u>  |
| Fund balances at end of year                                                                 |                                    |                     |                     | <u>\$ 912,903</u> |

| <b>Variance<br/>With Final<br/>Budget<br/>Positive<br/>(Negative)</b> | <b>2009<br/>Actual</b> |
|-----------------------------------------------------------------------|------------------------|
| \$ 62,227                                                             | \$ 3,392,552           |
| (6,414)                                                               | 172,631                |
| (14,924)                                                              | 291,096                |
| 11,005                                                                | 330,493                |
| 19,770                                                                | 1,069,232              |
| (19,270)                                                              | 210,193                |
| (189,197)                                                             | 1,269,282              |
| <u>(136,803)</u>                                                      | <u>6,735,479</u>       |
| 20,281                                                                | 555,048                |
| 10,924                                                                | 606,952                |
| 10,289                                                                | 402,907                |
| (12,581)                                                              | 1,512,901              |
| 43,988                                                                | 780,497                |
| (2,395)                                                               | 728,376                |
| 15,974                                                                | 273,591                |
| 6,274                                                                 | 202,652                |
| <u>92,754</u>                                                         | <u>5,062,924</u>       |
| <u>(44,049)</u>                                                       | <u>1,672,555</u>       |
| 245,846                                                               | -                      |
| (15)                                                                  | (1,358,426)            |
| <u>245,831</u>                                                        | <u>(1,358,426)</u>     |
| <u>\$ 201,782</u>                                                     | 314,129                |
|                                                                       | <u>847,279</u>         |
|                                                                       | <u>\$ 1,161,408</u>    |

**CITY OF LIVINGSTON, TEXAS  
GENERAL FUND  
SCHEDULE OF EXPENDITURES-BUDGET (GAAP BASIS) AND ACTUAL  
FOR THE YEAR ENDED SEPTEMBER 30, 2010  
WITH COMPARATIVE ACTUAL TOTALS FOR 2009**

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|                                   | Budgeted Amounts GAAP Basis |             |            |            |
|-----------------------------------|-----------------------------|-------------|------------|------------|
|                                   | Original                    | Revisions   | Final      | Actual     |
| ADMINISTRATIVE DEPARTMENT         |                             |             |            |            |
| Salaries                          | \$ 180,000                  | \$ (11,000) | \$ 169,000 | \$ 167,775 |
| Social Security                   | 13,775                      | (425)       | 13,350     | 13,286     |
| Retirement                        | 35,000                      | 11,000      | 46,000     | 44,668     |
| Employee insurance                | 62,500                      | (3,750)     | 58,750     | 58,568     |
| Insurance and bonds               | 11,025                      | (25)        | 11,000     | 11,315     |
| Legal and professional            | 45,000                      | (15,000)    | 30,000     | 33,829     |
| Auditing and accounting           | 8,500                       | 270         | 8,770      | 8,767      |
| Supplies                          | 30,000                      | -           | 30,000     | 28,901     |
| Repairs-building and grounds      | 10,000                      | 15,000      | 25,000     | 22,004     |
| Equipment repairs and maintenance | 6,500                       | 1,000       | 7,500      | 1,489      |
| Gas and oil                       | 2,530                       | (30)        | 2,500      | 2,597      |
| Utility/telephone                 | 11,000                      | 500         | 11,500     | 11,512     |
| Dues and subscriptions            | 15,000                      | 500         | 15,500     | 15,491     |
| Building demolitions              | 10,000                      | (10,000)    | -          | -          |
| Transportation and contingency    | 75,000                      | 1,000       | 76,000     | 60,842     |
| Postage and miscellaneous         | 16,700                      | (1,400)     | 15,300     | 21,194     |
|                                   | 532,530                     | (12,360)    | 520,170    | 502,238    |
| Capital expenditures              | 5,000                       | -           | 5,000      | 2,651      |
| Total Administrative              | 537,530                     | (12,360)    | 525,170    | 504,889    |
| SANITATION DEPARTMENT             |                             |             |            |            |
| Supplies                          | 65,000                      | (7,000)     | 58,000     | 54,256     |
| Refuse disposal/landfills         | 550,000                     | -           | 550,000    | 542,820    |
| Total Sanitation                  | 615,000                     | (7,000)     | 608,000    | 597,076    |

| <b>Variance<br/>With Final<br/>Budget<br/>Positive<br/>(Negative)</b> | <b>2009<br/>Actual</b> |
|-----------------------------------------------------------------------|------------------------|
| \$ 1,225                                                              | \$ 169,412             |
| 64                                                                    | 13,418                 |
| 1,332                                                                 | 65,525                 |
| 182                                                                   | 55,497                 |
| (315)                                                                 | 10,457                 |
| (3,829)                                                               | 62,737                 |
| 3                                                                     | 6,967                  |
| 1,099                                                                 | 30,302                 |
| 2,996                                                                 | 7,338                  |
| 6,011                                                                 | 7,328                  |
| (97)                                                                  | 1,859                  |
| (12)                                                                  | 9,877                  |
| 9                                                                     | 15,185                 |
| -                                                                     | -                      |
| 15,158                                                                | 74,176                 |
| <u>(5,894)</u>                                                        | <u>14,874</u>          |
| 17,932                                                                | 544,952                |
| <u>2,349</u>                                                          | <u>10,096</u>          |
| <u>20,281</u>                                                         | <u>555,048</u>         |
| 3,744                                                                 | 62,307                 |
| <u>7,180</u>                                                          | <u>544,645</u>         |
| <u>10,924</u>                                                         | <u>606,952</u>         |

**CITY OF LIVINGSTON, TEXAS  
GENERAL FUND  
SCHEDULE OF EXPENDITURES-BUDGET (GAAP BASIS) AND ACTUAL  
FOR THE YEAR ENDED SEPTEMBER 30, 2010  
WITH COMPARATIVE ACTUAL TOTALS FOR 2009**

|                                   | <b>Budgeted Amounts GAAP Basis</b> |                  |                  | <b>Actual</b>    |
|-----------------------------------|------------------------------------|------------------|------------------|------------------|
|                                   | <b>Original</b>                    | <b>Revisions</b> | <b>Final</b>     |                  |
| <b>FIRE DEPARTMENT</b>            |                                    |                  |                  |                  |
| Salaries                          | 157,550                            | (2,550)          | 155,000          | 148,257          |
| Salaries, administration          | 27,625                             | 350              | 27,975           | 27,972           |
| Social Security                   | 9,900                              | 200              | 10,100           | 10,155           |
| Retirement                        | 18,300                             | (2,450)          | 15,850           | 18,389           |
| Employee insurance                | 19,000                             | (750)            | 18,250           | 18,224           |
| Insurance and bonds               | 31,500                             | (2,500)          | 29,000           | 27,401           |
| Recruitment costs                 | 1,200                              | (800)            | 400              | -                |
| Supplies                          | 25,000                             | -                | 25,000           | 26,298           |
| Repairs-building and grounds      | 2,500                              | 1,000            | 3,500            | 1,948            |
| Equipment repairs and maintenance | 30,000                             | -                | 30,000           | 34,855           |
| Gas and oil                       | 22,000                             | (7,000)          | 15,000           | 12,194           |
| Utility/telephone                 | 12,500                             | -                | 12,500           | 9,701            |
| Dues and subscriptions            | 1,350                              | (100)            | 1,250            | 2,109            |
| Transportation and contingency    | 15,000                             | (2,000)          | 13,000           | 12,429           |
| Maintenance contribution          | 24,000                             | (1,500)          | 22,500           | 21,737           |
| Postage and miscellaneous         | 3,940                              | (1,140)          | 2,800            | 2,116            |
|                                   | 401,365                            | (19,240)         | 382,125          | 373,785          |
| Capital expenditures              | 30,000                             | -                | 30,000           | 28,051           |
| <b>Total Fire</b>                 | <b>431,365</b>                     | <b>(19,240)</b>  | <b>412,125</b>   | <b>401,836</b>   |
| <b>POLICE DEPARTMENT</b>          |                                    |                  |                  |                  |
| Salaries                          | 902,000                            | 5,000            | 907,000          | 906,410          |
| Salaries, administration          | 27,625                             | 350              | 27,975           | 27,972           |
| Social Security                   | 71,000                             | 2,000            | 73,000           | 75,094           |
| Retirement                        | 141,200                            | (3,200)          | 138,000          | 138,023          |
| Employee insurance                | 143,500                            | (11,000)         | 132,500          | 133,998          |
| Uniforms                          | 3,800                              | (500)            | 3,300            | 2,927            |
| Insurance and bonds               | 54,600                             | 400              | 55,000           | 55,775           |
| Supplies                          | 25,000                             | (4,000)          | 21,000           | 21,485           |
| Repairs-building and grounds      | 20,000                             | (5,000)          | 15,000           | 10,589           |
| Equipment repairs and maintenance | 25,000                             | 13,000           | 38,000           | 40,031           |
| Gas and oil                       | 50,000                             | (2,000)          | 48,000           | 54,469           |
| Utility/telephone                 | 10,000                             | 2,500            | 12,500           | 11,026           |
| Dues and subscriptions            | 400                                | 50               | 450              | 157              |
| Transportation and contingency    | 23,000                             | 3,000            | 26,000           | 26,036           |
| Postage and miscellaneous         | 21,800                             | (400)            | 21,400           | 20,380           |
|                                   | 1,518,925                          | 200              | 1,519,125        | 1,524,372        |
| Capital expenditures              | 35,000                             | 20,000           | 55,000           | 62,334           |
| <b>Total Police</b>               | <b>1,553,925</b>                   | <b>20,200</b>    | <b>1,574,125</b> | <b>1,586,706</b> |

| Variance<br>With Final<br>Budget<br>Positive<br>(Negative) | 2009<br>Actual |
|------------------------------------------------------------|----------------|
| 6,743                                                      | 151,306        |
| 3                                                          | 25,024         |
| (55)                                                       | 9,599          |
| (2,539)                                                    | 15,518         |
| 26                                                         | 17,731         |
| 1,599                                                      | 27,818         |
| 400                                                        | -              |
| (1,298)                                                    | 23,710         |
| 1,552                                                      | 14,296         |
| (4,855)                                                    | 25,197         |
| 2,806                                                      | 16,875         |
| 2,799                                                      | 10,878         |
| (859)                                                      | 1,242          |
| 571                                                        | 13,951         |
| 763                                                        | 21,920         |
| 684                                                        | 3,526          |
| 8,340                                                      | 378,591        |
| 1,949                                                      | 24,316         |
| 10,289                                                     | 402,907        |
| 590                                                        | 846,000        |
| 3                                                          | 25,023         |
| (2,094)                                                    | 68,008         |
| (23)                                                       | 131,644        |
| (1,498)                                                    | 129,700        |
| 373                                                        | 2,432          |
| (775)                                                      | 52,467         |
| (485)                                                      | 19,190         |
| 4,411                                                      | 36,416         |
| (2,031)                                                    | 28,559         |
| (6,469)                                                    | 39,524         |
| 1,474                                                      | 11,136         |
| 293                                                        | 383            |
| (36)                                                       | 27,795         |
| 1,020                                                      | 17,962         |
| (5,247)                                                    | 1,436,239      |
| (7,334)                                                    | 76,662         |
| (12,581)                                                   | 1,512,901      |



**CITY OF LIVINGSTON, TEXAS  
GENERAL FUND  
SCHEDULE OF EXPENDITURES-BUDGET (GAAP BASIS) AND ACTUAL  
FOR THE YEAR ENDED SEPTEMBER 30, 2010  
WITH COMPARATIVE ACTUAL TOTALS FOR 2009**

|                                   | Budgeted Amounts GAAP Basis |           |         | Actual  |
|-----------------------------------|-----------------------------|-----------|---------|---------|
|                                   | Original                    | Revisions | Final   |         |
| PAVING AND STREET DEPARTMENT      |                             |           |         |         |
| Salaries                          | 185,000                     | 15,000    | 200,000 | 203,570 |
| Salaries, administration          | 27,625                      | 350       | 27,975  | 27,972  |
| Social Security                   | 16,500                      | 1,000     | 17,500  | 17,713  |
| Retirement                        | 33,500                      | (2,500)   | 31,000  | 33,512  |
| Employee insurance                | 33,725                      | 3,275     | 37,000  | 37,011  |
| Uniforms                          | 3,000                       | 300       | 3,300   | 2,992   |
| Insurance and bonds               | 29,425                      | (925)     | 28,500  | 28,330  |
| Supplies                          | 15,000                      | 1,300     | 16,300  | 11,742  |
| Repairs-building and grounds      | 2,500                       | (1,000)   | 1,500   | 125     |
| Equipment repairs and maintenance | 25,000                      | -         | 25,000  | 32,119  |
| Gas and oil                       | 25,000                      | (2,500)   | 22,500  | 25,794  |
| Transit system                    | 4,620                       | -         | 4,620   | 4,620   |
| Transportation and contingency    | 5,025                       | (1,225)   | 3,800   | 2,513   |
|                                   | 405,920                     | 13,075    | 418,995 | 428,013 |
| Capital expenditures              | 475,000                     | (85,000)  | 390,000 | 336,994 |
| Total Paving and Street           | 880,920                     | (71,925)  | 808,995 | 765,007 |
| PARKS AND RECREATION DEPARTMENT   |                             |           |         |         |
| Salaries                          | 276,775                     | (12,775)  | 264,000 | 270,096 |
| Salaries, administration          | 55,250                      | 700       | 55,950  | 55,945  |
| Social Security                   | 25,450                      | (925)     | 24,525  | 24,942  |
| Retirement                        | 40,750                      | (4,250)   | 36,500  | 38,408  |
| Employee insurance                | 50,800                      | (6,200)   | 44,600  | 45,578  |
| Uniforms                          | 4,600                       | 400       | 5,000   | 4,474   |
| Insurance and bonds               | 24,150                      | (2,400)   | 21,750  | 21,612  |
| Advertising, hotel tax            | 75,000                      | 5,000     | 80,000  | 87,133  |
| Supplies                          | 43,000                      | (3,000)   | 40,000  | 45,592  |
| Repairs-building and grounds      | 52,500                      | (11,000)  | 41,500  | 35,215  |
| Equipment repairs and maintenance | 26,000                      | (5,500)   | 20,500  | 13,457  |
| Gas and oil                       | 37,325                      | 3,175     | 40,500  | 46,986  |
| Utility/telephone                 | 19,600                      | 5,050     | 24,650  | 16,031  |
| Dues and subscriptions            | 500                         | (50)      | 450     | 100     |
| Transportation and contingency    | 4,750                       | (250)     | 4,500   | 3,435   |
| Programming costs                 | 5,000                       | -         | 5,000   | 3,792   |
| Postage and miscellaneous         | 3,125                       | (125)     | 3,000   | 2,609   |
|                                   | 744,575                     | (32,150)  | 712,425 | 715,405 |
| Capital expenditures              | 85,000                      | (75,000)  | 10,000  | 9,415   |
| Total Parks and Recreation        | 829,575                     | (107,150) | 722,425 | 724,820 |

| <b>Variance<br/>With Final<br/>Budget<br/>Positive<br/>(Negative)</b> | <b>2009<br/>Actual</b> |
|-----------------------------------------------------------------------|------------------------|
| (3,570)                                                               | 179,995                |
| 3                                                                     | 25,023                 |
| (213)                                                                 | 15,684                 |
| (2,512)                                                               | 31,897                 |
| (11)                                                                  | 31,780                 |
| 308                                                                   | 2,871                  |
| 170                                                                   | 26,956                 |
| 4,558                                                                 | 15,396                 |
| 1,375                                                                 | 3,742                  |
| (7,119)                                                               | 26,373                 |
| (3,294)                                                               | 20,335                 |
| -                                                                     | 4,620                  |
| 1,287                                                                 | 3,339                  |
| (9,018)                                                               | 388,011                |
| 53,006                                                                | 392,486                |
| 43,988                                                                | 780,497                |
| (6,096)                                                               | 262,320                |
| 5                                                                     | 50,047                 |
| (417)                                                                 | 23,896                 |
| (1,908)                                                               | 32,407                 |
| (978)                                                                 | 44,809                 |
| 526                                                                   | 4,373                  |
| 138                                                                   | 22,544                 |
| (7,133)                                                               | 80,249                 |
| (5,592)                                                               | 37,360                 |
| 6,285                                                                 | 31,467                 |
| 7,043                                                                 | 17,377                 |
| (6,486)                                                               | 22,410                 |
| 8,619                                                                 | 24,588                 |
| 350                                                                   | 500                    |
| 1,065                                                                 | 3,957                  |
| 1,208                                                                 | 5,152                  |
| 391                                                                   | 3,717                  |
| (2,980)                                                               | 667,173                |
| 585                                                                   | 61,203                 |
| (2,395)                                                               | 728,376                |

**CITY OF LIVINGSTON, TEXAS**  
**GENERAL FUND**  
**SCHEDULE OF EXPENDITURES-BUDGET (GAAP BASIS) AND ACTUAL**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2010**  
**WITH COMPARATIVE ACTUAL TOTALS FOR 2009**

|                                   | Budgeted Amounts GAAP Basis |                     |                     | Actual              |
|-----------------------------------|-----------------------------|---------------------|---------------------|---------------------|
|                                   | Original                    | Revisions           | Final               |                     |
| <b>LIBRARY DEPARTMENT</b>         |                             |                     |                     |                     |
| Salaries                          | 141,200                     | 3,800               | 145,000             | 139,737             |
| Salaries, administration          | 27,625                      | 350                 | 27,975              | 27,972              |
| Social Security                   | 12,900                      | 850                 | 13,750              | 12,830              |
| Retirement                        | 25,000                      | (3,000)             | 22,000              | 23,950              |
| Employee insurance                | 31,600                      | (2,600)             | 29,000              | 27,336              |
| Insurance and bonds               | 8,500                       | (1,100)             | 7,400               | 7,253               |
| Supplies                          | 10,500                      | 1,000               | 11,500              | 10,615              |
| Repairs-building and grounds      | 8,000                       | 4,500               | 12,500              | 12,404              |
| Equipment repairs and maintenance | 3,500                       | (700)               | 2,800               | 2,466               |
| Utility/telephone                 | 8,750                       | (1,000)             | 7,750               | 6,119               |
| Dues and subscriptions            | 3,100                       | (300)               | 2,800               | 2,648               |
| Transportation and contingency    | 2,000                       | (500)               | 1,500               | 1,505               |
| Postage and printing              | 2,425                       | 275                 | 2,700               | 2,566               |
|                                   | 285,100                     | 1,575               | 286,675             | 277,401             |
| Memorial capital                  | 15,000                      | -                   | 15,000              | 19,650              |
| Capital expenditures              | 75,000                      | (50,000)            | 25,000              | 13,650              |
| Total Library                     | 375,100                     | (48,425)            | 326,675             | 310,701             |
| <b>GARAGE DEPARTMENT</b>          |                             |                     |                     |                     |
| Salaries                          | 84,500                      | (3,500)             | 81,000              | 79,783              |
| Salaries, administration          | 27,625                      | 350                 | 27,975              | 27,972              |
| Social Security                   | 8,575                       | (325)               | 8,250               | 8,243               |
| Retirement                        | 12,775                      | (275)               | 12,500              | 14,584              |
| Employee insurance                | 12,650                      | (500)               | 12,150              | 10,629              |
| Uniforms                          | 1,100                       | (100)               | 1,000               | 1,015               |
| Insurance and bonds               | 9,975                       | (850)               | 9,125               | 9,056               |
| Supplies                          | 7,750                       | -                   | 7,750               | 5,532               |
| Repairs-building and grounds      | 2,000                       | -                   | 2,000               | 37                  |
| Equipment repairs and maintenance | 5,200                       | (1,200)             | 4,000               | 4,481               |
| Gas and oil                       | 3,630                       | (130)               | 3,500               | 3,994               |
| Utility/telephone                 | 6,500                       | (1,500)             | 5,000               | 4,662               |
|                                   | 182,280                     | (8,030)             | 174,250             | 169,988             |
| Capital expenditures              | 40,000                      | (13,000)            | 27,000              | 24,988              |
| Total Garage                      | 222,280                     | (21,030)            | 201,250             | 194,976             |
| <b>TOTAL GENERAL EXPENDITURES</b> | <b>\$ 5,445,695</b>         | <b>\$ (266,930)</b> | <b>\$ 5,178,765</b> | <b>\$ 5,086,011</b> |

| <b>Variance<br/>With Final<br/>Budget<br/>Positive<br/>(Negative)</b> | <b>2009<br/>Actual</b> |
|-----------------------------------------------------------------------|------------------------|
| 5,263                                                                 | 129,456                |
| 3                                                                     | 25,023                 |
| 920                                                                   | 11,818                 |
| (1,950)                                                               | 19,948                 |
| 1,664                                                                 | 23,640                 |
| 147                                                                   | 7,936                  |
| 885                                                                   | 11,386                 |
| 96                                                                    | 6,571                  |
| 334                                                                   | 2,488                  |
| 1,631                                                                 | 5,642                  |
| 152                                                                   | 2,811                  |
| (5)                                                                   | 1,770                  |
| 134                                                                   | 2,290                  |
| 9,274                                                                 | 250,779                |
| (4,650)                                                               | 21,053                 |
| 11,350                                                                | 1,759                  |
| 15,974                                                                | 273,591                |
| 1,217                                                                 | 80,630                 |
| 3                                                                     | 25,023                 |
| 7                                                                     | 8,082                  |
| (2,084)                                                               | 12,452                 |
| 1,521                                                                 | 11,823                 |
| (15)                                                                  | 1,084                  |
| 69                                                                    | 9,363                  |
| 2,218                                                                 | 5,340                  |
| 1,963                                                                 | 9,004                  |
| (481)                                                                 | 4,078                  |
| (494)                                                                 | 2,896                  |
| 338                                                                   | 6,221                  |
| 4,262                                                                 | 175,996                |
| 2,012                                                                 | 26,656                 |
| 6,274                                                                 | 202,652                |
| <u>\$ 92,754</u>                                                      | <u>\$ 5,062,924</u>    |

**DEBT SERVICE FUND**

**CITY OF LIVINGSTON, TEXAS**  
**DEBT SERVICE FUND - COMPARATIVE BALANCE SHEET**  
**SEPTEMBER 30, 2010 AND 2009**

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**ASSETS**

|              | <u>2010</u>      | <u>2009</u>      |
|--------------|------------------|------------------|
| Cash         | \$ 60,119        | \$ 58,323        |
| Total Assets | <u>\$ 60,119</u> | <u>\$ 58,323</u> |

**FUND BALANCES**

|                          |                  |                  |
|--------------------------|------------------|------------------|
| Reserve for debt service | \$ 60,119        | \$ 58,323        |
| Total Fund Balance       | <u>\$ 60,119</u> | <u>\$ 58,323</u> |

**CITY OF LIVINGSTON, TEXAS  
DEBT SERVICE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED SEPTEMBER 30, 2010  
WITH COMPARATIVE ACTUAL TOTALS FOR 2009**

|                                                                                    | <b>Budgeted Amounts GAAP Basis</b> |                         |                     |
|------------------------------------------------------------------------------------|------------------------------------|-------------------------|---------------------|
|                                                                                    | <b><u>Original</u></b>             | <b><u>Revisions</u></b> | <b><u>Final</u></b> |
| <b><u>REVENUES</u></b>                                                             |                                    |                         |                     |
| Miscellaneous                                                                      | \$ -                               | \$ -                    | \$ -                |
| Total Revenues                                                                     | -                                  | -                       | -                   |
| <b><u>EXPENDITURES</u></b>                                                         |                                    |                         |                     |
| Debt service:                                                                      |                                    |                         |                     |
| Principal retirement                                                               | 745,000                            | -                       | 745,000             |
| Interest                                                                           | 292,398                            | -                       | 292,398             |
| Total Expenditures                                                                 | 1,037,398                          | -                       | 1,037,398           |
| Excess (deficiency) of revenues over expenditures                                  | (1,037,398)                        | -                       | (1,037,398)         |
| <b><u>OTHER FINANCING SOURCES (USES)</u></b>                                       |                                    |                         |                     |
| Transfers in                                                                       | 1,037,398                          | -                       | 1,037,398           |
| Total other financing sources                                                      | 1,037,398                          | -                       | 1,037,398           |
| Excess of revenues and other financing<br>sources over expenditures and other uses | \$ -                               | \$ -                    | \$ -                |
| Fund balances at beginning of year                                                 |                                    |                         |                     |
| Fund balance at end of year                                                        |                                    |                         |                     |

| <b>Actual</b>      | <b>Variance<br/>with Final<br/>Budget<br/>Positive<br/>(Negative)</b> | <b>2009</b>        |
|--------------------|-----------------------------------------------------------------------|--------------------|
| <u>\$ 1,781</u>    | <u>\$ 1,781</u>                                                       | <u>\$ 2,139</u>    |
| <u>1,781</u>       | <u>1,781</u>                                                          | <u>2,139</u>       |
| 745,000            | -                                                                     | 720,000            |
| 292,398            | -                                                                     | 316,960            |
| <u>1,037,398</u>   | <u>-</u>                                                              | <u>1,036,960</u>   |
| <u>(1,035,617)</u> | <u>1,781</u>                                                          | <u>(1,034,821)</u> |
| <u>1,037,413</u>   | <u>(15)</u>                                                           | <u>1,036,959</u>   |
| <u>1,037,413</u>   | <u>15</u>                                                             | <u>1,036,959</u>   |
| 1,796              | 1,796                                                                 | 2,138              |
| <u>58,323</u>      | <u>-</u>                                                              | <u>56,185</u>      |
| <u>\$ 60,119</u>   | <u>\$ 1,796</u>                                                       | <u>\$ 58,323</u>   |



## **CAPITAL PROJECTS FUND**

**CITY OF LIVINGSTON, TEXAS  
CAPITAL PROJECTS FUND - COMPARATIVE BALANCE SHEET  
SEPTEMBER 30, 2010 AND 2009**

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**ASSETS**

|                         | <u>2010</u>       | <u>2009</u>       |
|-------------------------|-------------------|-------------------|
| Cash                    | \$ 68,502         | \$ 50,228         |
| Certificates of deposit | <u>150,000</u>    | <u>600,000</u>    |
| Total Assets            | <u>\$ 218,502</u> | <u>\$ 650,228</u> |

**FUND BALANCES**

|                     |                   |                   |
|---------------------|-------------------|-------------------|
| Fund Balances:      |                   |                   |
| Reserved for:       |                   |                   |
| Capital projects    | \$ 218,502        | \$ 650,228        |
| Total Fund Balances | <u>\$ 218,502</u> | <u>\$ 650,228</u> |

**CITY OF LIVINGSTON, TEXAS  
CAPITAL PROJECTS FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED SEPTEMBER 30, 2010  
WITH COMPARATIVE ACTUAL TOTALS FOR 2009**

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|                                                                                                 | <b>Budgeted Amounts GAAP Basis</b> |                  |              |
|-------------------------------------------------------------------------------------------------|------------------------------------|------------------|--------------|
|                                                                                                 | <b>Original</b>                    | <b>Revisions</b> | <b>Final</b> |
| <b><u>EXPENDITURES</u></b>                                                                      |                                    |                  |              |
| Bond issue costs                                                                                | \$ -                               | \$ -             | \$ -         |
| Capital outlay:                                                                                 |                                    |                  |              |
| Library                                                                                         | -                                  | -                | -            |
| Total Expenditures                                                                              | -                                  | -                | -            |
| Excess (deficiency) of revenues over expenditures                                               | -                                  | -                | -            |
| <b><u>OTHER FINANCING SOURCES</u></b>                                                           |                                    |                  |              |
| Transfers in                                                                                    | -                                  | -                | -            |
| Transfers out                                                                                   | (475,000)                          | -                | (390,000)    |
| Total other financing sources                                                                   | (475,000)                          | -                | (390,000)    |
| Excess (deficiency) of revenues and other financing<br>sources over expenditures and other uses | \$ (475,000)                       | \$ -             | \$ (390,000) |
| Fund balances at beginning of year                                                              |                                    |                  |              |
| Fund balances at end of year                                                                    |                                    |                  |              |

| <u>Actual</u>     | <u>Variance<br/>With Final<br/>Budget<br/>Positive<br/>(Negative)</u> | <u>2009</u>       |
|-------------------|-----------------------------------------------------------------------|-------------------|
| \$ -              | \$ -                                                                  | \$ -              |
| -                 | -                                                                     | 544,499           |
| -                 | -                                                                     | 544,499           |
| <u>-</u>          | <u>-</u>                                                              | <u>(544,499)</u>  |
| -                 | -                                                                     | 200,000           |
| <u>(431,726)</u>  | <u>(41,726)</u>                                                       | <u>(141,766)</u>  |
| <u>(431,726)</u>  | <u>(41,726)</u>                                                       | <u>58,234</u>     |
| (431,726)         | (41,726)                                                              | (486,265)         |
| <u>650,228</u>    | <u>-</u>                                                              | <u>1,136,493</u>  |
| <u>\$ 218,502</u> | <u>\$ (41,726)</u>                                                    | <u>\$ 650,228</u> |

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## **PROPRIETARY FUND**

**CITY OF LIVINGSTON, TEXAS  
COMPARATIVE STATEMENT OF NET ASSETS  
ELECTRIC, WATER AND SEWER FUND  
SEPTEMBER 30, 2010 AND 2009**

| <b>ASSETS</b>                                     | <b>2010</b>          | <b>2009</b>          |
|---------------------------------------------------|----------------------|----------------------|
| Current assets:                                   |                      |                      |
| Cash                                              | \$ 940,186           | \$ 449,353           |
| Certificates of deposit                           | 1,500,000            | 1,500,000            |
| Restricted assets                                 |                      |                      |
| Cash in bank, water and sewer system improvements | 109,484              | 108,261              |
| Cash in bank, reserve fund                        | 16,439               | 11,835               |
| Receivables:                                      |                      |                      |
| Returned checks receivable                        | 23,070               | 23,460               |
| Utility accounts receivable                       | <u>1,586,632</u>     | <u>1,311,495</u>     |
| Total Current Assets                              | <u>4,175,811</u>     | <u>3,404,404</u>     |
| Noncurrent assets:                                |                      |                      |
| Capital assets:                                   |                      |                      |
| Land                                              | 679,488              | 629,613              |
| Building and improvements                         | 463,474              | 463,474              |
| Equipment and fixtures                            | 1,976,224            | 1,964,243            |
| Electrical system                                 | 4,689,258            | 4,430,284            |
| Water system                                      | 6,946,465            | 6,281,573            |
| Sewer system                                      | 7,351,018            | 7,129,463            |
| Water service contract rights                     | <u>2,785,000</u>     | <u>140,000</u>       |
|                                                   | 24,890,927           | 21,038,650           |
| Less accumulated depreciation                     | <u>(6,993,889)</u>   | <u>(6,599,072)</u>   |
| Net capital assets                                | <u>17,897,038</u>    | <u>14,439,578</u>    |
| Total Assets                                      | <u>\$ 22,072,849</u> | <u>\$ 17,843,982</u> |

|                                                          | <b>2010</b>          | <b>2009</b>          |
|----------------------------------------------------------|----------------------|----------------------|
| <b>LIABILITIES</b>                                       |                      |                      |
| Current liabilities:                                     |                      |                      |
| Accounts payable                                         | \$ 973,245           | \$ 889,909           |
| Meter deposits                                           | 395,648              | 383,448              |
| Contracts payable-Trinity River Authority                | 70,000               | 70,000               |
| Total current liabilities                                | <u>1,438,893</u>     | <u>1,343,357</u>     |
| Noncurrent liabilities:                                  |                      |                      |
| Contracts payable-Trinity River Authority                | 2,715,000            | 70,000               |
| Total noncurrent liabilities                             | <u>2,715,000</u>     | <u>70,000</u>        |
| Total liabilities                                        | <u>4,153,893</u>     | <u>1,413,357</u>     |
| <b>NET ASSETS</b>                                        |                      |                      |
| Invested in capital assets (net of related debt)         | 15,112,038           | 14,299,578           |
| Restricted for water and sewer system improvements       | 109,484              | 108,261              |
| Restricted for Trinity River Authority contracts payable | 16,439               | 11,835               |
| Unrestricted                                             | <u>2,680,995</u>     | <u>2,010,951</u>     |
| Total net assets                                         | <u>\$ 17,918,956</u> | <u>\$ 16,430,625</u> |



**CITY OF LIVINGSTON, TEXAS**  
**COMPARATIVE STATEMENT OF REVENUES, EXPENSES AND CHANGES**  
**IN FUND NET ASSETS**  
**ELECTRIC, WATER, AND SEWER FUND**  
**FOR THE YEARS ENDED SEPTEMBER 30, 2010 AND 2009**

**Business-Type Activities - Enterprise Fund**

|                                       | <b><u>2010</u></b>   | <b><u>2009</u></b>   |
|---------------------------------------|----------------------|----------------------|
| <b><u>Operating revenues:</u></b>     |                      |                      |
| Charges for sales and services:       |                      |                      |
| Electricity sales                     | \$ 9,398,055         | \$ 8,324,639         |
| Water sales                           | 1,725,164            | 1,683,063            |
| Sewer service charges                 | 1,276,276            | 1,228,693            |
| Penalties, utilities                  | 144,319              | 125,632              |
| Water tapping fees                    | 5,625                | 8,350                |
| Sewer tapping fees                    | 3,200                | 4,100                |
| Recoveries, electrical                | 701,086              | 822,687              |
| Recoveries, water                     | 596,134              | 58,563               |
| Revenue, night lights                 | 76,498               | 74,383               |
| Service fees                          | 42,554               | 39,824               |
| Total Operating Revenues              | <u>13,968,911</u>    | <u>12,369,934</u>    |
| <b><u>Operating expenses:</u></b>     |                      |                      |
| Light and Power Department            | 9,535,619            | 9,292,595            |
| Water Department                      | 1,921,994            | 1,839,585            |
| Sewer Department                      | 509,656              | 497,129              |
| Depreciation                          | 394,817              | 378,169              |
| Total Operating Expenses              | <u>12,362,086</u>    | <u>12,007,478</u>    |
| Operating Income                      | 1,606,825            | 362,456              |
| <b><u>Non-operating revenues:</u></b> |                      |                      |
| Interest income                       | <u>18,495</u>        | <u>27,310</u>        |
| Income Before Transfers               | 1,625,320            | 389,766              |
| Transfers In                          | 431,726              | 263,233              |
| Transfers Out                         | <u>(568,715)</u>     | <u>-</u>             |
| Change in net assets                  | 1,488,331            | 652,999              |
| Total net assets - beginning          | <u>16,430,625</u>    | <u>15,777,626</u>    |
| Total net assets - ending             | <u>\$ 17,918,956</u> | <u>\$ 16,430,625</u> |

**CITY OF LIVINGSTON, TEXAS  
COMPARATIVE STATEMENT OF CASH FLOWS  
ELECTRIC, WATER, AND SEWER FUND  
FOR THE YEARS ENDED SEPTEMBER 30, 2010 AND 2009**

**Business-Type Activities - Enterprise Fund**

|                                                              | <b><u>2010</u></b>  | <b><u>2009</u></b> |
|--------------------------------------------------------------|---------------------|--------------------|
| Cash flows from operating activities:                        |                     |                    |
| Cash received from customers                                 | \$ 13,693,774       | \$ 12,372,337      |
| Cash payments to suppliers for goods and services            | (10,683,054)        | (10,452,715)       |
| Cash payments to employees for services                      | <u>(1,188,289)</u>  | <u>(1,101,980)</u> |
| Net cash provided by operating activities                    | <u>1,822,431</u>    | <u>817,642</u>     |
| Cash flows from noncapital financing activities:             |                     |                    |
| Transfers from other funds                                   | 431,726             | 263,233            |
| Transfers to other funds                                     | <u>(568,715)</u>    | <u>-</u>           |
| Net cash (used) provided for noncapital financing activities | <u>(136,989)</u>    | <u>263,233</u>     |
| Cash flows from capital and related financing activities:    |                     |                    |
| Acquisition of capital assets                                | <u>(1,207,277)</u>  | <u>(882,087)</u>   |
| Net cash used for capital and related financing activities   | <u>(1,207,277)</u>  | <u>(882,087)</u>   |
| Cash flows from investing activities:                        |                     |                    |
| Interest on cash and investments                             | <u>18,495</u>       | <u>27,310</u>      |
| Net cash provided by investing activities                    | <u>18,495</u>       | <u>27,310</u>      |
| NET CHANGE IN CASH AND CASH EQUIVALENTS                      | 496,660             | 226,098            |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR               | <u>569,449</u>      | <u>343,351</u>     |
| CASH AND CASH EQUIVALENTS AT END OF YEAR                     | <u>\$ 1,066,109</u> | <u>\$ 569,449</u>  |

(Continued)

**CITY OF LIVINGSTON, TEXAS  
COMPARATIVE STATEMENT OF CASH FLOWS  
ELECTRIC, WATER, AND SEWER FUND  
FOR THE YEARS ENDED SEPTEMBER 30, 2010 AND 2009**

---

**Business-Type Activities - Enterprise Fund**

|                                                                                             | <b><u>2010</u></b>  | <b><u>2009</u></b> |
|---------------------------------------------------------------------------------------------|---------------------|--------------------|
| Reconciliation of income from operations to net cash provided by operating activities:      |                     |                    |
| Income from operations                                                                      | \$ 1,606,825        | \$ 362,456         |
| Adjustments to reconcile operating net income to net cash provided by operating activities: |                     |                    |
| Depreciation                                                                                | 394,817             | 378,169            |
| Change in operating assets and liabilities:                                                 |                     |                    |
| Returned checks receivable                                                                  | 390                 | (1,301)            |
| Utility accounts receivable                                                                 | (275,137)           | 2,403              |
| Accounts payable                                                                            | 83,336              | 50,685             |
| Meter deposits                                                                              | <u>12,200</u>       | <u>25,230</u>      |
| Total adjustments                                                                           | <u>215,606</u>      | <u>455,186</u>     |
| Net cash provided by operating activities                                                   | <u>\$ 1,822,431</u> | <u>\$ 817,642</u>  |
| Reconciliation of total cash and cash investments                                           |                     |                    |
| Unrestricted                                                                                | \$ 940,186          | \$ 449,353         |
| Restricted                                                                                  |                     |                    |
| Cash in bank, water and sewer system improvements                                           | 109,484             | 108,261            |
| Cash in bank, reserve fund                                                                  | <u>16,439</u>       | <u>11,835</u>      |
| Total cash and cash equivalents                                                             | <u>\$ 1,066,109</u> | <u>\$ 569,449</u>  |

(Concluded)

## **ENTERPRISE FUND**

**CITY OF LIVINGSTON, TEXAS**  
**ENTERPRISE FUND**  
**SCHEDULE OF EXPENSES BY DEPARTMENT - COMPARED TO BUDGET**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2010**  
**WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED SEPTEMBER 30, 2009**

|                                               | <b>2010</b>                |                  |                  |                  |
|-----------------------------------------------|----------------------------|------------------|------------------|------------------|
|                                               | <b>Original<br/>Budget</b> | <b>Revisions</b> | <b>Final</b>     | <b>Actual</b>    |
| <b>LIGHT AND POWER DEPARTMENT</b>             |                            |                  |                  |                  |
| Salaries                                      | \$ 554,500                 | \$ (14,500)      | \$ 540,000       | \$ 535,981       |
| Salaries, administration                      | 27,625                     | 350              | 27,975           | 27,972           |
| Social Security                               | 44,500                     | (1,000)          | 43,500           | 43,142           |
| Retirement                                    | 80,000                     | -                | 80,000           | 83,835           |
| Employee insurance                            | 71,750                     | (250)            | 71,500           | 69,416           |
| Uniform rental                                | 4,500                      | 1,300            | 5,800            | 6,260            |
| Insurance and bonds                           | 23,100                     | (1,100)          | 22,000           | 22,707           |
| Legal and professional                        | 3,750                      | (750)            | 3,000            | 2,110            |
| Engineering                                   | 3,000                      | 1,325            | 4,325            | 4,320            |
| Supplies                                      | 25,000                     | 1,000            | 26,000           | 25,332           |
| Repairs-building and grounds<br>and equipment | 20,000                     | -                | 20,000           | 19,326           |
| Gas and oil                                   | 27,000                     | (7,000)          | 20,000           | 20,866           |
| Utility/telephone                             | 7,000                      | -                | 7,000            | 6,534            |
| Dues and subscriptions                        | 8,000                      | (500)            | 7,500            | 7,688            |
| Power purchase                                | 8,370,000                  | 230,000          | 8,600,000        | 8,620,388        |
| Transportation and contingency                | 10,000                     | (2,500)          | 7,500            | 7,389            |
| Utility billing                               | 12,500                     | (1,000)          | 11,500           | 10,142           |
| Postage and miscellaneous                     | 13,650                     | (1,050)          | 12,600           | 13,444           |
| Auditing and accounting                       | 8,000                      | 770              | 8,770            | 8,767            |
| Total Light and Power                         | <u>9,313,875</u>           | <u>205,095</u>   | <u>9,518,970</u> | <u>9,535,619</u> |
| <b>WATER DEPARTMENT</b>                       |                            |                  |                  |                  |
| Salaries                                      | 396,150                    | (1,150)          | 395,000          | 396,016          |
| Salaries - administration                     | 27,625                     | 350              | 27,975           | 27,972           |
| Social Security                               | 32,500                     | -                | 32,500           | 32,729           |
| Retirement                                    | 58,500                     | 2,500            | 61,000           | 64,179           |
| Employee insurance                            | 65,350                     | (6,350)          | 59,000           | 58,823           |
| Uniform rental                                | 4,000                      | 400              | 4,400            | 4,979            |
| Insurance and bonds                           | 22,050                     | (1,050)          | 21,000           | 25,479           |
| Legal and professional                        | 2,750                      | (1,500)          | 1,250            | 1,250            |
| Supplies                                      | 41,000                     | 10,000           | 51,000           | 65,709           |
| Repairs-building and grounds                  | 6,500                      | (1,500)          | 5,000            | 9,226            |
| Repairs-equipment                             | 25,000                     | (3,000)          | 22,000           | 25,321           |
| Gas and oil                                   | 13,500                     | (2,000)          | 11,500           | 12,591           |
| Engineering                                   | 20,000                     | (5,000)          | 15,000           | 9,887            |
| Dues and subscriptions                        | 4,200                      | 7,800            | 12,000           | 11,981           |
| Water-TRA                                     | 58,400                     | -                | 58,400           | 58,400           |
| Operations and maintenance-TRA                | 1,000,000                  | (5,548)          | 994,452          | 994,452          |
| Transportation and contingency                | 21,200                     | 150              | 21,350           | 18,533           |
| Utility billing                               | 12,500                     | (1,000)          | 11,500           | 10,017           |
| Postage and printing                          | 14,700                     | (1,700)          | 13,000           | 13,460           |
| TRA-debt service                              | 71,000                     | 1,225            | 72,225           | 72,223           |
| Auditing and accounting                       | 8,000                      | 770              | 8,770            | 8,767            |
| Total Water                                   | <u>1,904,925</u>           | <u>(6,603)</u>   | <u>1,898,322</u> | <u>1,921,994</u> |

| <b>Variance</b> | <b>2009<br/>Actual</b> |
|-----------------|------------------------|
| \$ 4,019        | \$ 505,337             |
| 3               | 25,023                 |
| 358             | 40,572                 |
| (3,835)         | 77,709                 |
| 2,084           | 60,050                 |
| (460)           | 4,460                  |
| (707)           | 21,819                 |
| 890             | 2,983                  |
| 5               | -                      |
| 668             | 25,105                 |
| 674             | 18,043                 |
| (866)           | 17,463                 |
| 466             | 6,384                  |
| (188)           | 7,604                  |
| (20,388)        | 8,441,956              |
| 111             | 8,577                  |
| 1,358           | 11,189                 |
| (844)           | 11,354                 |
| 3               | 6,967                  |
| <u>(16,649)</u> | <u>9,292,595</u>       |
| (1,016)         | 378,425                |
| 3               | 25,023                 |
| (229)           | 31,032                 |
| (3,179)         | 53,296                 |
| 177             | 56,574                 |
| (579)           | 3,867                  |
| (4,479)         | 21,797                 |
| -               | 1,250                  |
| (14,709)        | 44,987                 |
| (4,226)         | 8,002                  |
| (3,321)         | 24,663                 |
| (1,091)         | 9,032                  |
| 5,113           | 31,943                 |
| 19              | 3,660                  |
| -               | 58,400                 |
| -               | 971,935                |
| 2,817           | 15,942                 |
| 1,483           | 10,252                 |
| (460)           | 11,495                 |
| 2               | 71,042                 |
| 3               | 6,968                  |
| <u>(23,672)</u> | <u>1,839,585</u>       |

**CITY OF LIVINGSTON, TEXAS  
ENTERPRISE FUND  
SCHEDULE OF EXPENSES BY DEPARTMENT - COMPARED TO BUDGET  
FOR THE YEAR ENDED SEPTEMBER 30, 2010  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED SEPTEMBER 30, 2009**

|                                | <b>2010</b>                |                   |                      |                      |
|--------------------------------|----------------------------|-------------------|----------------------|----------------------|
|                                | <b>Original<br/>Budget</b> | <b>Revisions</b>  | <b>Final</b>         | <b>Actual</b>        |
| SEWER DEPARTMENT               |                            |                   |                      |                      |
| Salaries                       | 171,000                    | 3,000             | 174,000              | 172,374              |
| Salaries, administration       | 27,625                     | 350               | 27,975               | 27,972               |
| Social Security                | 15,250                     | 250               | 15,500               | 15,628               |
| Retirement                     | 27,000                     | (1,150)           | 25,850               | 26,316               |
| Employee insurance             | 25,500                     | (1,000)           | 24,500               | 24,326               |
| Uniform rental                 | 1,500                      | (375)             | 1,125                | 1,212                |
| Insurance and bonds            | 8,400                      | 5,350             | 13,750               | 14,460               |
| Lab fees-engineering           | 40,000                     | (5,000)           | 35,000               | 20,264               |
| Supplies                       | 30,000                     | (3,500)           | 26,500               | 26,304               |
| Chemicals                      | 27,500                     | (2,500)           | 25,000               | 23,886               |
| Legal/professional             | 1,000                      | (500)             | 500                  | 295                  |
| Repairs-equipment              | 35,000                     | -                 | 35,000               | 44,959               |
| Repairs-building and grounds   | 2,500                      | -                 | 2,500                | 1,595                |
| Gas and oil                    | 19,250                     | (3,000)           | 16,250               | 19,657               |
| Dues and subscriptions         | 15,000                     | (3,000)           | 12,000               | 12,028               |
| Transportation and contingency | 87,750                     | (24,550)          | 63,200               | 58,454               |
| Utilities and telephone        | 16,500                     | -                 | 16,500               | 19,926               |
| Total Sewer                    | <u>550,775</u>             | <u>(35,625)</u>   | <u>515,150</u>       | <u>509,656</u>       |
| TOTAL ENTERPRISE FUND          |                            |                   |                      |                      |
| DEPARTMENT EXPENDITURES        | <u>\$ 11,769,575</u>       | <u>\$ 162,867</u> | <u>\$ 11,932,442</u> | <u>\$ 11,967,269</u> |

| 2009<br>Actual       | Variance           |
|----------------------|--------------------|
| 167,078              | 1,626              |
| 25,023               | 3                  |
| 14,971               | (128)              |
| 23,555               | (466)              |
| 22,450               | 174                |
| 1,207                | (87)               |
| 7,556                | (710)              |
| 40,508               | 14,736             |
| 23,786               | 196                |
| 21,960               | 1,114              |
| -                    | 205                |
| 44,446               | (9,959)            |
| 3,884                | 905                |
| 14,929               | (3,407)            |
| 11,680               | (28)               |
| 58,260               | 4,746              |
| 15,836               | (3,426)            |
| 497,129              | 5,494              |
| <u>\$ 11,629,309</u> | <u>\$ (34,827)</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 ASSETS BY COMPONENT**  
**Last Eight Fiscal Years**  
**(accrual basis of accounting)**

|                                                 | <b>Fiscal Year</b>   |                      |                      |
|-------------------------------------------------|----------------------|----------------------|----------------------|
|                                                 | <b>2003</b>          | <b>2004</b>          | <b>2005</b>          |
| Governmental activities                         |                      |                      |                      |
| Invested in capital assets, net of related debt | \$ 2,545,275         | \$ 3,321,143         | \$ 3,129,245         |
| Restricted                                      | 68,957               | 71,335               | 74,795               |
| Unrestricted                                    | <u>741,344</u>       | <u>320,621</u>       | <u>358,030</u>       |
| Total governmental activities net assets        | <u>\$ 3,355,576</u>  | <u>\$ 3,713,099</u>  | <u>\$ 3,562,070</u>  |
| Business-type activities                        |                      |                      |                      |
| Invested in capital assets, net of related debt | \$ 11,885,862        | \$ 11,846,648        | \$ 12,040,291        |
| Restricted                                      | 225,533              | 189,018              | 137,798              |
| Unrestricted                                    | <u>1,392,408</u>     | <u>2,170,395</u>     | <u>2,709,960</u>     |
| Total business-type activities net assets       | <u>\$ 13,503,803</u> | <u>\$ 14,206,061</u> | <u>\$ 14,888,049</u> |
| Primary government                              |                      |                      |                      |
| Invested in capital assets, net of related debt | \$ 14,431,137        | \$ 15,167,791        | \$ 15,169,536        |
| Restricted                                      | 294,490              | 260,353              | 212,593              |
| Unrestricted                                    | <u>2,133,752</u>     | <u>2,491,016</u>     | <u>3,067,990</u>     |
| Total primary government net assets             | <u>\$ 16,859,379</u> | <u>\$ 17,919,160</u> | <u>\$ 18,450,119</u> |

Note: Information, which is supposed to be presented for last ten years, is presented for years available.

**TABLE A-**

| <b>Fiscal Year</b>   |                      |                      |                      |                      |
|----------------------|----------------------|----------------------|----------------------|----------------------|
| <b>2006</b>          | <b>2007</b>          | <b>2008</b>          | <b>2009</b>          | <b>2010</b>          |
| \$ 3,545,562         | \$ 3,549,442         | \$ 3,625,188         | \$ 3,805,846         | \$ 3,816,433         |
| 64,428               | 32,042               | 56,185               | 58,323               | 60,119               |
| <u>301,060</u>       | <u>746,824</u>       | <u>847,279</u>       | <u>1,403,689</u>     | <u>1,018,128</u>     |
| <u>\$ 3,911,050</u>  | <u>\$ 4,328,308</u>  | <u>\$ 4,528,652</u>  | <u>\$ 5,267,858</u>  | <u>\$ 4,894,680</u>  |
| \$ 12,212,140        | \$ 12,661,355        | \$ 13,795,660        | \$ 14,299,578        | \$ 15,112,038        |
| 138,706              | 176,772              | 122,980              | 120,096              | 125,923              |
| <u>2,545,862</u>     | <u>1,914,913</u>     | <u>1,858,986</u>     | <u>2,010,951</u>     | <u>2,680,995</u>     |
| <u>\$ 14,896,708</u> | <u>\$ 14,753,040</u> | <u>\$ 15,777,626</u> | <u>\$ 16,430,625</u> | <u>\$ 17,918,956</u> |
| \$ 15,757,702        | \$ 16,210,797        | \$ 17,420,848        | \$ 18,105,424        | \$ 18,928,471        |
| 203,134              | 208,814              | 179,165              | 178,419              | 186,042              |
| <u>2,846,922</u>     | <u>2,661,737</u>     | <u>2,706,265</u>     | <u>3,699,123</u>     | <u>3,699,123</u>     |
| <u>\$ 18,807,758</u> | <u>\$ 19,081,348</u> | <u>\$ 20,306,278</u> | <u>\$ 21,982,966</u> | <u>\$ 22,813,636</u> |

TABLE A-2

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

|                                                         | Fiscal Year  |              |              |             |             |              |
|---------------------------------------------------------|--------------|--------------|--------------|-------------|-------------|--------------|
|                                                         | 2003         | 2004         | 2005         | 2006        | 2007        | 2008         |
| <b>Expenses</b>                                         |              |              |              |             |             |              |
| Governmental activities:                                |              |              |              |             |             |              |
| Administrative                                          | \$ 297,458   | \$ 305,279   | \$ 429,415   | \$ 494,543  | \$ 550,712  | \$ 543,102   |
| Sanitation                                              | 489,301      | 508,167      | 525,284      | 552,169     | 595,541     | 614,965      |
| Fire                                                    | 311,421      | 290,679      | 307,944      | 328,722     | 372,421     | 403,472      |
| Police                                                  | 1,126,591    | 1,132,421    | 1,201,267    | 1,260,724   | 1,345,599   | 1,454,820    |
| Paving and street                                       | 634,610      | 785,259      | 921,559      | 971,433     | 1,023,956   | 1,003,610    |
| Parks and recreation                                    | 825,657      | 778,992      | 792,944      | 806,073     | 842,246     | 927,799      |
| Library                                                 | 230,328      | 230,800      | 237,031      | 246,801     | 274,830     | 283,433      |
| Garage                                                  | 137,050      | 136,813      | 139,382      | 158,581     | 163,178     | 177,194      |
| Interest on long-term debt                              | 379,555      | 400,800      | 381,833      | 362,868     | 363,425     | 350,383      |
| Total governmental activities expense                   | 4,431,971    | 4,569,210    | 4,936,659    | 5,181,914   | 5,531,908   | 5,758,778    |
| Business-type activities:                               |              |              |              |             |             |              |
| Electric, water and sewer                               | 9,947,254    | 9,378,300    | 9,747,275    | 10,407,751  | 10,553,606  | 10,490,362   |
| Total business-type activities expenses                 | 9,947,254    | 9,378,300    | 9,747,275    | 10,407,751  | 10,553,606  | 10,490,362   |
| Total primary government expenses                       | 14,379,225   | 13,947,510   | 14,683,934   | 15,589,665  | 16,085,514  | 16,249,140   |
| <b>Program Revenues</b>                                 |              |              |              |             |             |              |
| Governmental activities:                                |              |              |              |             |             |              |
| Charges for services                                    |              |              |              |             |             |              |
| Administration                                          | 70,903       | 68,619       | 78,386       | 167,499     | 171,091     | 158,653      |
| Sanitation                                              | 678,791      | 708,348      | 716,199      | 735,376     | 835,662     | 837,658      |
| Police                                                  | 240,419      | 189,847      | 238,120      | 236,332     | 224,131     | 222,411      |
| Paving and street                                       | 1,501        | 1,916        | 25,756       | 83,227      | 8,931       | 1,921        |
| Parks and recreation                                    | 321,888      | 427,800      | 401,882      | 269,001     | 290,508     | 291,150      |
| Library                                                 | 16,958       | 15,729       | 17,339       | 16,518      | 18,085      | 23,652       |
| Operating grants and contributions                      | 67,133       | 168,623      | 115,024      | 392,402     | 228,664     | 130,974      |
| Capital grants and contributions                        | -            | 404,018      | 64,077       | 12,891      | -           | -            |
| Total governmental activities program revenues          | 1,397,593    | 1,984,900    | 1,656,783    | 1,913,246   | 1,777,072   | 1,666,419    |
| Business-type activities:                               |              |              |              |             |             |              |
| Charges for services                                    |              |              |              |             |             |              |
| Electric, water and sewer                               | 9,981,003    | 10,312,959   | 10,655,080   | 10,708,095  | 10,867,675  | 11,929,258   |
| Total business-type activities program revenues         | 9,981,003    | 10,312,959   | 10,655,080   | 10,708,095  | 10,867,675  | 11,929,258   |
| Total primary government program revenues               | 11,378,596   | 12,297,859   | 12,311,863   | 12,621,341  | 12,644,747  | 13,595,677   |
| Net (Expense) Revenues                                  |              |              |              |             |             |              |
| Governmental activities                                 | (3,034,378)  | (2,584,310)  | (3,279,876)  | (3,268,668) | (3,754,836) | (4,092,359)  |
| Business-type activities                                | 33,749       | 934,659      | 907,805      | 300,344     | 314,069     | 1,438,896    |
| Total primary government program net expense            | (3,000,629)  | (1,649,651)  | (2,372,071)  | (2,968,324) | (3,440,767) | (2,653,463)  |
| <b>General Revenues and Other Changes in Net Assets</b> |              |              |              |             |             |              |
| Governmental activities:                                |              |              |              |             |             |              |
| Taxes                                                   |              |              |              |             |             |              |
| Sales taxes                                             | 2,199,629    | 2,324,945    | 2,544,289    | 2,885,734   | 3,144,640   | 3,232,037    |
| Franchise taxes                                         | 124,949      | 134,374      | 136,979      | 148,230     | 162,312     | 166,598      |
| Hotel/Motel taxes                                       | 116,991      | 136,563      | 131,303      | 168,967     | 236,920     | 261,357      |
| Investment earnings                                     | 64,680       | 43,145       | 31,869       | 14,373      | 60,343      | 54,954       |
| Miscellaneous                                           | 24,127       | 55,615       | 25,266       | 34,381      | 34,344      | 90,514       |
| Transfers                                               | 455,955      | 247,191      | 259,141      | 365,963     | 533,535     | 487,243      |
| Total governmental activities                           | 2,986,331    | 2,941,833    | 3,128,847    | 3,617,648   | 4,172,094   | 4,292,703    |
| Business-type activities:                               |              |              |              |             |             |              |
| Investment earnings                                     | 21,190       | 14,790       | 33,324       | 74,278      | 75,798      | 72,933       |
| Transfers                                               | (455,955)    | (247,191)    | (259,141)    | (365,963)   | (533,535)   | (487,243)    |
| Total business-type activities                          | (434,765)    | (232,401)    | (225,817)    | (291,685)   | (457,737)   | (414,310)    |
| Total primary government                                | 2,551,566    | 2,709,432    | 2,903,030    | 3,325,963   | 3,714,357   | 3,878,393    |
| <b>Changes in Net Assets</b>                            |              |              |              |             |             |              |
| Governmental activities                                 | \$ (48,047)  | \$ 357,523   | \$ (151,029) | \$ 348,980  | \$ 417,258  | \$ 200,344   |
| Business-type activities                                | (401,016)    | 702,258      | 681,988      | 8,659       | (143,668)   | 1,024,586    |
| Total primary government                                | \$ (449,063) | \$ 1,059,781 | \$ 530,959   | \$ 357,639  | \$ 273,590  | \$ 1,224,930 |

Note: Information, which is supposed to be presented for last ten years, is presented for years available.

A. Grant received in 2004 to fund street improvements.

B. FEMA grant received in 2006 to assist with Hurricane Rita recovery.

C. FEMA grant received in 2009 to assist with Hurricane Ike recovery.

D. Texas Community Block Grant received in 2010 for street improvements.

TABLE A-

| 2009                | 2010                |
|---------------------|---------------------|
| \$ 625,366          | \$ 550,726          |
| 607,137             | 597,196             |
| 413,973             | 406,508             |
| 1,530,106           | 1,618,530           |
| 935,608             | 950,467             |
| 847,600             | 893,254             |
| 284,255             | 312,390             |
| 186,795             | 180,496             |
| 316,960             | 292,638             |
| <u>5,747,800</u>    | <u>5,802,205</u>    |
| <br>                |                     |
| <u>12,007,478</u>   | <u>12,362,086</u>   |
| <u>12,007,478</u>   | <u>12,362,086</u>   |
| <u>17,755,278</u>   | <u>18,164,291</u>   |
| <br>                |                     |
| 368,308             | 247,380             |
| 846,740             | 846,516             |
| 222,025             | 228,426             |
| 892                 | 10,197              |
| 298,880             | 226,859             |
| 19,386              | 18,171              |
| 653,212             | 94,055              |
| 471,764             | 247,392             |
| <u>2,881,207</u>    | <u>1,918,996</u>    |
| <br>                |                     |
| <u>12,369,934</u>   | <u>13,968,911</u>   |
| <u>12,369,934</u>   | <u>13,968,911</u>   |
| <u>15,251,141</u>   | <u>15,887,907</u>   |
| <br>                |                     |
| (2,866,593)         | (3,883,209)         |
| 362,456             | 1,606,825           |
| <u>(2,504,137)</u>  | <u>(2,276,384)</u>  |
| <br>                |                     |
| 3,392,552           | 3,012,227           |
| 172,631             | 143,586             |
| 291,096             | 210,076             |
| 12,753              | 7,153               |
| -                   | -                   |
| <u>(263,233)</u>    | <u>136,989</u>      |
| <u>3,605,799</u>    | <u>3,510,031</u>    |
| <br>                |                     |
| 27,310              | 18,495              |
| 263,233             | (136,989)           |
| 290,543             | (118,494)           |
| <u>3,896,342</u>    | <u>3,391,537</u>    |
| <br>                |                     |
| \$ 739,206          | \$ (373,178)        |
| 652,999             | 1,488,331           |
| <u>\$ 1,392,205</u> | <u>\$ 1,115,153</u> |

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

|                                    | Fiscal Year       |                   |                     |                     |
|------------------------------------|-------------------|-------------------|---------------------|---------------------|
|                                    | 2001              | 2002              | 2003                | 2004                |
| General Fund                       |                   |                   |                     |                     |
| Reserved                           | \$ 18,449         | \$ 9,848          | \$ 212              | \$ 13,243           |
| Unreserved                         | <u>409,807</u>    | <u>461,852</u>    | <u>740,600</u>      | <u>635,728</u>      |
| Total General Fund                 | <u>\$ 428,256</u> | <u>\$ 471,700</u> | <u>\$ 740,812</u>   | <u>\$ 648,971</u>   |
| All Other Governmental Funds       |                   |                   |                     |                     |
| Reserved                           |                   |                   |                     |                     |
| Debt Service Fund                  | \$ 60,326         | \$ 63,345         | \$ 68,957           | \$ 71,335           |
| Capital Projects Fund              | <u>-</u>          | <u>-</u>          | <u>3,221,395</u>    | A. <u>1,267,007</u> |
| Total all other governmental funds | <u>\$ 60,326</u>  | <u>\$ 63,345</u>  | <u>\$ 3,290,352</u> | <u>\$ 1,338,342</u> |

A. Bond proceeds for resurfacing of City streets.

B. Bond proceeds for library renovations and utility system improvements.

TABLE A-3

| Fiscal Year          |                     |                        |                        |                        |                      |
|----------------------|---------------------|------------------------|------------------------|------------------------|----------------------|
| 2005                 | 2006                | 2007                   | 2008                   | 2009                   | 2010                 |
| \$ 5,096<br>420,260  | \$ 2,598<br>253,737 | \$ 2,598<br>583,212    | \$ 78,525<br>768,754   | \$ 64,705<br>1,096,703 | \$ 49,852<br>863,051 |
| <u>\$ 425,356</u>    | <u>\$ 256,335</u>   | <u>\$ 585,810</u>      | <u>\$ 847,279</u>      | <u>\$ 1,161,408</u>    | <u>\$ 912,903</u>    |
| \$ 74,795<br>342,948 | \$ 64,425<br>-      | \$ 32,042<br>1,430,000 | \$ 56,185<br>1,136,493 | \$ 58,323<br>650,228   | \$ 60,119<br>218,502 |
| <u>\$ 417,743</u>    | <u>\$ 64,425</u>    | <u>\$ 1,462,042</u>    | <u>\$ 1,192,678</u>    | <u>\$ 708,551</u>      | <u>\$ 278,621</u>    |



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

|                                                            | Fiscal Year  |              |               |               |
|------------------------------------------------------------|--------------|--------------|---------------|---------------|
|                                                            | 2001         | 2002         | 2003          | 2004          |
| <b>Revenues</b>                                            |              |              |               |               |
| Taxes                                                      | \$ 2,225,216 | \$ 2,439,934 | \$ 2,441,633  | \$ 2,595,882  |
| Licenses and permits                                       | 61,645       | 39,422       | 70,903        | 68,620        |
| Charges for service                                        | 813,228      | 911,272      | 978,312       | 1,054,801     |
| Fines and forfeitures                                      | 156,830      | 152,717      | 167,862       | 174,479       |
| Miscellaneous                                              | 423,424      | 179,894      | 268,702       | 790,232 C     |
| Total Revenues                                             | 3,680,343    | 3,723,239    | 3,927,412     | 4,684,014     |
| <b>Expenditures</b>                                        |              |              |               |               |
| Administrative                                             | 182,029      | 198,293      | 326,799       | 244,181       |
| Sanitation                                                 | 460,487      | 479,647      | 489,056       | 508,272       |
| Fire                                                       | 266,933      | 266,805      | 275,993       | 254,431       |
| Police                                                     | 890,487      | 940,587      | 1,023,348     | 1,034,373     |
| Paving and street                                          | 265,880      | 307,094      | 336,300       | 371,020       |
| Parks and recreation                                       | 566,161      | 555,474      | 636,034       | 609,285       |
| Library                                                    | 188,264      | 192,387      | 211,978       | 211,390       |
| Garage                                                     | 113,225      | 120,222      | 128,671       | 128,544       |
| Capital outlay                                             | 985,499      | 505,679      | 1,939,513 A   | 2,682,760     |
| Debt service                                               |              |              |               |               |
| Interest                                                   | 292,623      | 282,348      | 379,556       | 400,800       |
| Principal                                                  | 175,000      | 190,000      | 240,000       | 530,000       |
| Total Expenditures                                         | 4,386,588    | 4,038,536    | 5,987,248     | 6,975,056     |
| Excess of revenues over<br>(under) expenditures            | (706,245)    | (315,297)    | (2,059,836)   | (2,291,042)   |
| <b>Other Financing Sources<br/>(Uses)</b>                  |              |              |               |               |
| Proceeds from borrowing                                    | -            | -            | 5,000,000 A   | -             |
| Proceeds from refunding                                    | -            | -            | 1,600,000 B   | -             |
| Redemption of refunded bonds                               | -            | -            | (1,500,000) B | -             |
| Transfers in                                               | 1,171,131    | 834,107      | 937,577       | 1,154,768     |
| Transfers out                                              | (367,873)    | (472,348)    | (481,622)     | (907,577)     |
| Total other financing sources                              | 803,258      | 361,759      | 5,555,955     | 247,191       |
| Net change in fund balances                                | \$ 97,013    | \$ 46,462    | \$ 3,496,119  | \$(2,043,851) |
| Debt service as a percentage of<br>noncapital expenditures | 15.9%        | 15.4%        | 18.1%         | 27.7%         |

- A. Bond proceeds in 2003 used for street resurfacing.  
B. Refunding of bonds in 2003 due to favorable interest rates.  
C. Grant received in 2004 for street improvements.  
D. Bond proceeds in 2007 to be used for library and utility system improvements.  
E. Refunding of bonds in 2007 due to favorable interest rates.

TABLE A-4

| Fiscal Year           |                     |                     |                   |                     |                     |
|-----------------------|---------------------|---------------------|-------------------|---------------------|---------------------|
| 2005                  | 2006                | 2007                | 2008              | 2009                | 2010                |
| \$ 2,812,571          | \$ 3,202,931        | \$ 3,543,872        | \$ 3,659,992      | \$ 3,856,279        | \$ 3,365,889        |
| 78,387                | 167,500             | 171,091             | 158,653           | 330,493             | 221,005             |
| 962,644               | 1,027,350           | 1,044,379           | 1,063,339         | 1,069,232           | 1,064,615           |
| 220,754               | 208,945             | 220,568             | 206,059           | 210,193             | 217,430             |
| 444,987               | 558,205             | 435,547             | 383,885           | 1,271,421           | 439,046             |
| <u>4,519,343</u>      | <u>5,164,931</u>    | <u>5,415,457</u>    | <u>5,471,928</u>  | <u>6,737,618</u>    | <u>5,307,985</u>    |
| 362,385               | 430,460             | 589,450             | 464,778           | 544,952             | 502,238             |
| 525,099               | 551,984             | 595,356             | 614,780           | 606,952             | 597,076             |
| 272,362               | 292,497             | 333,880             | 366,276           | 378,591             | 373,785             |
| 1,100,899             | 1,156,337           | 1,239,397           | 1,356,402         | 1,436,239           | 1,524,372           |
| 332,286               | 421,287             | 446,480             | 344,420           | 388,011             | 428,013             |
| 610,971               | 621,815             | 654,682             | 744,706           | 667,173             | 715,406             |
| 217,896               | 225,276             | 257,071             | 261,206           | 250,779             | 277,401             |
| 131,848               | 150,570             | 154,049             | 261,800           | 175,996             | 169,988             |
| 1,447,119             | 1,280,136           | 633,113             | 512,315           | 1,158,730           | 497,732             |
| 381,833               | 362,868             | 363,425             | 350,383           | 316,960             | 292,398             |
| 540,000               | 560,000             | 570,000             | 690,000           | 720,000             | 745,000             |
| <u>5,922,698</u>      | <u>6,053,230</u>    | <u>5,836,903</u>    | <u>5,967,066</u>  | <u>6,644,383</u>    | <u>6,123,409</u>    |
| (1,403,355)           | (888,299)           | (421,446)           | (495,138)         | 93,235              | (815,424)           |
| -                     | -                   | 1,500,000 D         | -                 | -                   | -                   |
| -                     | -                   | 3,055,000 E         | -                 | -                   | -                   |
| -                     | -                   | (2,940,000) E       | -                 | -                   | -                   |
| 1,196,580             | 1,274,601           | 1,040,595           | 1,560,371         | 1,236,959           | 1,606,128           |
| (937,439)             | (908,638)           | (507,060)           | (1,073,128)       | (1,500,192)         | (1,469,139)         |
| <u>259,141</u>        | <u>365,963</u>      | <u>2,148,535</u>    | <u>487,243</u>    | <u>(263,233)</u>    | <u>136,989</u>      |
| <u>\$ (1,144,214)</u> | <u>\$ (522,336)</u> | <u>\$ 1,727,089</u> | <u>\$ (7,895)</u> | <u>\$ (169,998)</u> | <u>\$ (678,435)</u> |
| 25.9%                 | 24.0%               | 21.9%               | 23.6%             | 23.3%               | 22.6%               |

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## **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.**

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

---

| <b>Tax Year</b> | <b>Real Property (1)</b>  |                                   | <b>Personal (1)</b>       |
|-----------------|---------------------------|-----------------------------------|---------------------------|
|                 | <b>Assessed<br/>Value</b> | <b>Estimated<br/>Actual Value</b> | <b>Assessed<br/>Value</b> |
| 2000            | 159,938,722               | 159,938,722                       | 34,434,642                |
| 2001            | 157,870,532               | 157,870,532                       | 44,505,537                |
| 2002            | 161,310,608               | 161,310,608                       | 46,660,580                |
| 2003            | 164,961,394               | 164,961,394                       | 46,719,165                |
| 2004            | 181,381,433               | 181,381,433                       | 48,106,813                |
| 2005            | 195,285,576               | 195,285,576                       | 48,821,394                |
| 2006            | 199,230,665               | 199,230,665                       | 51,858,018                |
| 2007            | 324,079,092               | 324,079,092                       | 57,234,573                |
| 2008            | 358,777,630               | 358,777,630                       | 57,815,193                |
| 2009            | 398,529,925               | 398,529,925                       | 58,932,227                |

(1) Information was provided by the Polk County Assessor/Collector's office.

**TABLE B-1**

| <b>Personal (1)</b> | <b>Total Property</b> |                     | <b>Ratio of Total</b> | <b>Total</b>       |
|---------------------|-----------------------|---------------------|-----------------------|--------------------|
| <b>Estimated</b>    | <b>Assessed</b>       | <b>Estimated</b>    | <b>Assessed to</b>    |                    |
| <b>Actual Value</b> | <b>Value</b>          | <b>Actual Value</b> | <b>Total</b>          | <b>Direct Rate</b> |
|                     |                       |                     | <b>Estimated</b>      | <b>Applied</b>     |
|                     |                       |                     | <b>Actual Value</b>   |                    |
| 34,434,642          | 194,373,364           | 194,373,364         | 100%                  | 0%                 |
| 44,505,537          | 202,376,069           | 202,376,069         | 100%                  | 0%                 |
| 46,660,580          | 207,971,188           | 207,971,188         | 100%                  | 0%                 |
| 46,719,165          | 211,680,559           | 211,680,559         | 100%                  | 0%                 |
| 48,106,813          | 229,488,246           | 229,488,246         | 100%                  | 0%                 |
| 48,821,394          | 244,106,970           | 244,106,970         | 100%                  | 0%                 |
| 51,858,018          | 251,088,683           | 251,088,683         | 100%                  | 0%                 |
| 57,234,573          | 381,313,665           | 381,313,665         | 100%                  | 0%                 |
| 57,815,193          | 416,592,823           | 416,592,823         | 100%                  | 0%                 |
| 58,932,227          | 457,462,152           | 457,462,152         | 100%                  | 0%                 |

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

**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> |
|-------------------------------|------------------------------|----------------------------|---------------|--------------|
| 2000                          | .00                          | 1.4900                     | 0.5550        | 2.0450       |
| 2001                          | .00                          | 1.5125                     | 0.5550        | 2.0675       |
| 2002                          | .00                          | 1.5525                     | 0.5550        | 2.1075       |
| 2003                          | .00                          | 1.5525                     | 0.5550        | 2.1075       |
| 2004                          | .00                          | 1.5525                     | 0.5550        | 2.1075       |
| 2005                          | .00                          | 1.5525                     | 0.6277        | 2.1802       |
| 2006                          | .00                          | 1.4245                     | 0.6277        | 2.0522       |
| 2007                          | .00                          | 1.1100                     | 0.6277        | 1.7377       |
| 2008                          | .00                          | 1.4135                     | 0.6277        | 2.0412       |
| 2009                          | .00                          | 1.4135                     | 0.6277        | 2.0412       |

| <b>County<br/>Fiscal Year</b> | <b>City<br/>General Fund</b> | <b>School<br/>District</b> | <b>County</b> | <b>Total</b> |
|-------------------------------|------------------------------|----------------------------|---------------|--------------|
| 2000                          | -                            | 9,480,087                  | 8,262,508     | 17,742,595   |
| 2001                          | -                            | 10,143,543                 | 8,937,795     | 19,081,338   |
| 2002                          | -                            | 11,460,192                 | 8,938,961     | 20,399,153   |
| 2003                          | -                            | 11,099,615                 | 9,223,803     | 20,323,418   |
| 2004                          | -                            | 11,597,686                 | 9,886,492     | 21,484,178   |
| 2005                          | -                            | 12,513,074                 | 11,292,797    | 23,805,871   |
| 2006                          | -                            | 12,611,002                 | 12,068,543    | 24,679,545   |
| 2007                          | -                            | 10,722,728                 | 12,954,936    | 23,677,664   |
| 2008                          | -                            | 16,305,268                 | 15,157,004    | 31,462,272   |
| 2009                          | -                            | 17,162,308                 | 15,869,969    | 33,032,277   |

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.

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

**TEN LARGEST ELECTRIC CUSTOMERS  
FISCAL 2010 KILOWATT HOURS**

| (*) Name                            | Kilowatt Hours    | Rank | Percent of Total |
|-------------------------------------|-------------------|------|------------------|
| Livingston Independent School Dist. | 7,742,691         | 1    | 8.97%            |
| Brookshire Brothers                 | 2,393,324         | 2    | 2.77%            |
| Lowe's                              | 2,097,256         | 3    | 2.43%            |
| Polk County                         | 1,957,255         | 4    | 2.27%            |
| HEB Grocery                         | 1,938,488         | 5    | 2.25%            |
| Factory Stores of America           | 1,326,120         | 6    | 1.54%            |
| Bradford                            | 1,158,185         | 7    | 1.34%            |
| Pine Ridge Health Care              | 850,291           | 8    | 0.99%            |
| First State Bank                    | 731,303           | 9    | 0.85%            |
| McDonalds                           | 648,304           | 10   | 0.75%            |
| First National Bank                 | -                 |      | 0.00%            |
| Golden Corral                       | -                 |      | 0.00%            |
|                                     | <u>20,843,217</u> |      | <u>24.15%</u>    |

**TEN LARGEST ELECTRIC CUSTOMERS  
FISCAL 2001 KILOWATT HOURS**

| Kilowatt Hours    | Rank | Percent of Total |
|-------------------|------|------------------|
| 6,971,209         | 1    | 9.29%            |
| 2,242,437         | 2    | 2.99%            |
| -                 | -    | 0.00%            |
| 2,113,960         | 3    | 2.82%            |
| 1,718,278         | 4    | 2.29%            |
| 1,464,444         | 5    | 1.95%            |
| -                 | -    | 0.00%            |
| 798,160           | 6    | 1.06%            |
| 577,483           | 9    | 0.77%            |
| 679,247           | 8    | 0.91%            |
| 729,689           | 7    | 0.97%            |
| 509,947           | 10   | 0.68%            |
| <u>17,804,854</u> |      | <u>23.73%</u>    |

**TEN LARGEST WATER CUSTOMERS  
FISCAL 2010 GALLONS USED**

| (*) Name                           | Gallons Used       | Rank | Percent of Total |
|------------------------------------|--------------------|------|------------------|
| Texas Department of Criminal Just. | 243,291,000        | 1    | 42.51%           |
| IAH Detention Facility             | 32,263,000         | 2    | 5.64%            |
| Memorial Medical Center            | 14,917,000         | 3    | 2.61%            |
| Livingston ISD                     | 14,363,000         | 4    | 2.51%            |
| Camp Cho Yeh                       | 8,412,000          | 5    | 1.47%            |
| Pine Hill Apts.                    | 6,873,000          | 6    | 1.20%            |
| County of Polk                     | 5,950,000          | 7    | 1.04%            |
| Walmart                            | 3,873,000          | 8    | 0.68%            |
| The Bradford                       | 3,829,000          | 9    | 0.67%            |
| Royal Inn                          | 2,561,000          | 10   | 0.45%            |
| Livingston Housing Authority       | -                  |      | 0.00%            |
| Mill Ridge Golf Club               | -                  |      | 0.00%            |
| Pine Ridge Healthcare Center       | -                  |      | 0.00%            |
| Eastex Telephone Cooperative       | -                  |      | 0.00%            |
|                                    | <u>336,332,000</u> |      | <u>58.77%</u>    |

**TEN LARGEST WATER CUSTOMERS  
FISCAL 2001 GALLONS USED**

| Gallons Used       | Rank | Percent of Total |
|--------------------|------|------------------|
| 208,744,000        | 1    | 42.48%           |
| -                  | -    | 0.00%            |
| 9,063,000          | 3    | 1.84%            |
| 13,438,000         | 2    | 2.73%            |
| 5,675,000          | 6    | 1.15%            |
| 5,795,000          | 5    | 1.18%            |
| -                  | -    | 0.00%            |
| 3,858,000          | 7    | 0.79%            |
| -                  | -    | 0.00%            |
| -                  | -    | 0.00%            |
| 7,499,000          | 4    | 1.53%            |
| 3,577,000          | 8    | 0.73%            |
| 3,488,000          | 9    | 0.71%            |
| 3,247,000          | 10   | 0.66%            |
| <u>264,384,000</u> |      | <u>53.80%</u>    |

(\*) Information provided by City of Livingston

Note: The City does not receive any revenue from property taxes at this time. The primary revenue source is sales tax. The City is prohibited by law from disclosing the principal revenue payers of sales tax revenue. Consequently, the City has elected to provide information on its largest Enterprise fund customers.



TABLE B-4

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

| <u>Fiscal Year</u> | <u>Total<br/>Tax Levy</u> | <u>Current Tax<br/>Collections</u> | <u>Percent<br/>of Levy<br/>Collected</u> | <u>Delinquent<br/>Tax<br/>Collections</u> | <u>Total Tax<br/>Collections</u> |
|--------------------|---------------------------|------------------------------------|------------------------------------------|-------------------------------------------|----------------------------------|
| 2000-01            | N/A                       | N/A                                | N/A                                      | 42                                        | 42                               |
| 2001-02            | N/A                       | N/A                                | N/A                                      | -                                         | -                                |
| 2002-03            | N/A                       | N/A                                | N/A                                      | 64                                        | 64                               |
| 2003-04            | N/A                       | N/A                                | N/A                                      | -                                         | -                                |
| 2004-05            | N/A                       | N/A                                | N/A                                      | -                                         | -                                |
| 2005-06            | N/A                       | N/A                                | N/A                                      | -                                         | -                                |
| 2006-07            | N/A                       | N/A                                | N/A                                      | -                                         | -                                |
| 2007-08            | N/A                       | N/A                                | N/A                                      | -                                         | -                                |
| 2008-09            | N/A                       | N/A                                | N/A                                      | -                                         | -                                |
| 2009-10            | N/A                       | N/A                                | N/A                                      | -                                         | -                                |

\* City discontinued levying property taxes in fiscal 1989.

TABLE B-4

| <b>Total<br/>Collections<br/>as Percent<br/>of Current<br/>Levy</b> | <b>Adjustment</b> | <b>Outstanding<br/>Delinquent<br/>Taxes</b> | <b>Outstanding<br/>Delinquent<br/>as a Percent<br/>of Total<br/>Tax Levy</b> |
|---------------------------------------------------------------------|-------------------|---------------------------------------------|------------------------------------------------------------------------------|
| N/A                                                                 | (2)               | 2,101                                       | N/A                                                                          |
| N/A                                                                 | -                 | 2,101                                       | N/A                                                                          |
| N/A                                                                 | 64                | 2,101                                       | N/A                                                                          |
| N/A                                                                 | (2,101)           | -                                           | 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                                                                          |

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

|                                           | <b>Fiscal Year</b>           |                              |                              |                              |
|-------------------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
|                                           | <b>2000</b>                  | <b>2001</b>                  | <b>2002</b>                  | <b>2003</b>                  |
| Agriculture, forestry, & fishing          | \$ 186,082                   | \$ 120,040                   | \$ 104,087                   | \$ 55,655                    |
| Mining                                    | 2,445,805                    | 3,017,072                    | 1,670,892                    | 2,928,533                    |
| Construction                              | 1,427,549                    | 2,178,456                    | 3,176,878                    | 459,045                      |
| Manufacturing                             | 3,618,803                    | 2,805,088                    | 2,626,183                    | 3,348,853                    |
| Transportation, communication,<br>utility | 3,940,131                    | 3,915,504                    | 3,944,208                    | 3,694,829                    |
| Wholesale Trade                           | 1,313,493                    | 1,290,343                    | 1,820,682                    | 2,341,586                    |
| Retail Trade                              | 112,245,922                  | 107,735,964                  | 110,586,688                  | 107,480,485                  |
| Finance, insurance, real estate           | 331,846                      | 321,496                      | 309,122                      | 282,049                      |
| Services                                  | 6,697,287                    | 5,937,256                    | 6,103,505                    | 6,247,964                    |
| Other                                     | -                            | -                            | -                            | -                            |
| <b>Total</b>                              | <b><u>\$ 132,206,918</u></b> | <b><u>\$ 127,321,219</u></b> | <b><u>\$ 130,342,245</u></b> | <b><u>\$ 126,838,999</u></b> |

Source: State Comptroller's Office

**TABLE B-5**

| <b>Fiscal Year</b>    |                       |                       |                       |                       |                       |
|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| <b>2004</b>           | <b>2005</b>           | <b>2006</b>           | <b>2007</b>           | <b>2008</b>           | <b>2009</b>           |
| \$ 17,846             | \$ -                  | \$ -                  | \$ -                  | \$ -                  | \$ -                  |
| 5,613,633             | 7,700,436             | 60,829                | 756,938               | 285,694               | 139,367               |
| 424,557               | 787,927               | 11,059,135            | 11,376,991            | 8,329,709             | 2,566,018             |
| 3,585,308             | 3,323,607             | 5,178,592             | 6,562,549             | 7,440,687             | 4,670,834             |
| 3,502,046             | 3,498,339             | 74,518                | 63,730                | 152,921               | 293,334               |
| 2,315,597             | 2,906,373             | 8,451,726             | 8,816,753             | 8,944,623             | 7,407,560             |
| 122,067,358           | 131,436,864           | 119,034,315           | 128,368,896           | 137,752,269           | 136,583,087           |
| 107,361               | 69,374                | 1,177,586             | 1,690,872             | 1,741,041             | 1,666,834             |
| 6,119,047             | 5,621,477             | 32,216,522            | 29,680,044            | 34,724,520            | 34,823,277            |
| 440,818               | 3,097,013             | -                     | -                     | -                     | -                     |
| <u>\$ 144,193,571</u> | <u>\$ 158,441,410</u> | <u>\$ 177,253,223</u> | <u>\$ 187,316,773</u> | <u>\$ 199,371,464</u> | <u>\$ 188,150,311</u> |

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

|                     | Fiscal Year         |                     |                     |                      |
|---------------------|---------------------|---------------------|---------------------|----------------------|
|                     | 2001                | 2002                | 2003                | 2004                 |
| Electrical revenues | \$ 6,756,183        | \$ 6,568,105        | \$ 7,350,587        | \$ 7,584,035         |
| Water revenues      | 1,457,245           | 1,491,121           | 1,573,863           | 1,637,733            |
| Sewer revenues      | 928,194             | 969,701             | 1,056,553           | 1,091,190            |
| Total               | <u>\$ 9,141,622</u> | <u>\$ 9,028,927</u> | <u>\$ 9,981,003</u> | <u>\$ 10,312,958</u> |

Sources: Various City Departments

**TABLE B-6**

| <b>Fiscal Year</b>   |                      |                      |                      |                      |                      |
|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| <b>2005</b>          | <b>2006</b>          | <b>2007</b>          | <b>2008</b>          | <b>2009</b>          | <b>2010</b>          |
| \$ 7,873,279         | \$ 8,039,723         | \$ 8,016,265         | \$ 8,918,291         | \$ 9,387,165         | \$ 10,362,512        |
| 1,650,187            | 1,550,614            | 1,629,707            | 1,765,155            | 1,749,976            | 2,326,923            |
| <u>1,131,614</u>     | <u>1,117,758</u>     | <u>1,153,855</u>     | <u>1,245,812</u>     | <u>1,232,793</u>     | <u>1,279,476</u>     |
| <u>\$ 10,655,080</u> | <u>\$ 10,708,095</u> | <u>\$ 10,799,827</u> | <u>\$ 11,929,258</u> | <u>\$ 12,369,934</u> | <u>\$ 13,968,911</u> |

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## **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.**



TABLE C-

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

| <u>Fiscal Year</u> | <u>CERTIFICATES<br/>OF<br/>OBLIGATION</u> | <u>GENERAL<br/>OBLIGATION<br/>BONDS</u> | <u>WATER<br/>SERVICE<br/>CONTRACTS<br/>PAYABLE</u> | <u>TOTAL<br/>PRIMARY<br/>GOVERNMENT</u> |
|--------------------|-------------------------------------------|-----------------------------------------|----------------------------------------------------|-----------------------------------------|
| 2000-01            | 4,860,000                                 | -                                       | 1,645,000                                          | 6,505,000                               |
| 2001-02            | 4,670,000                                 | -                                       | 1,295,000                                          | 5,965,000                               |
| 2002-03            | 8,115,000 (1)                             | 1,415,000                               | 520,000                                            | 10,050,000                              |
| 2003-04            | 7,770,000                                 | 1,230,000                               | 460,000                                            | 9,460,000                               |
| 2004-05            | 7,415,000                                 | 1,045,000                               | 400,000                                            | 8,860,000                               |
| 2005-06            | 7,050,000                                 | 850,000                                 | 340,000                                            | 8,240,000                               |
| 2006-07            | 5,300,000 (2)                             | 3,645,000 (2)                           | 275,000                                            | 9,220,000                               |
| 2007-08            | 4,905,000                                 | 3,350,000                               | 210,000                                            | 8,465,000                               |
| 2008-09            | 4,485,000                                 | 3,050,000                               | 140,000                                            | 7,675,000                               |
| 2009-10            | 4,055,000                                 | 2,735,000                               | 2,785,000 (4)                                      | 9,575,000                               |

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

(1) The City issued \$5,000,000 in new bonds and \$1,600,000 in refunding bonds in 2003.

(2) The City issued \$1,500,000 in new bonds and \$3,055,000 in refunding bonds in 2007.

(3) U.S. Census 2000.

(4) The Trinity River Authority issued \$2,715,000 in water system improvement bonds to be repaid by the City proprietary fund.

**TABLE C-**

| <b><u>PERCENTAGE<br/>OF PERSONAL<br/>INCOME</u></b> | <b><u>PER<br/>CAPITA</u></b> | <b><u>Net Bonded<br/>Debt Per<br/>Capita</u></b> | <b><u>Population (3)</u></b> |
|-----------------------------------------------------|------------------------------|--------------------------------------------------|------------------------------|
| 5.67%                                               | 1,197                        | -                                                | 5,433                        |
| 4.52%                                               | 1,098                        | -                                                | 5,433                        |
| 7.37%                                               | 1,850                        | -                                                | 5,433                        |
| 6.92%                                               | 1,741                        | -                                                | 5,433                        |
| 6.48%                                               | 1,631                        | -                                                | 5,433                        |
| 5.61%                                               | 1,517                        | -                                                | 5,433                        |
| 6.19%                                               | 1,697                        | -                                                | 5,433                        |
| 5.11%                                               | 1,558                        | -                                                | 5,433                        |
| 4.44%                                               | 1,413                        | -                                                | 5,433                        |
| 5.14%                                               | 1,762                        | -                                                | 5,433                        |

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

| <u>Fiscal Year</u> | <u>Population</u> | <u>Assessed<br/>Value (1)</u> | <u>Gross Bonded<br/>Debt (3)</u> | <u>Less: Debt<br/>Service<br/>Fund</u> |
|--------------------|-------------------|-------------------------------|----------------------------------|----------------------------------------|
| 2000-01            | 5,433 (4)         | 194,373,364                   | -                                | 60,326                                 |
| 2001-02            | 5,433             | 202,376,069                   | -                                | 63,345                                 |
| 2002-03            | 5,433             | 207,971,188                   | 1,415,000                        | 68,957                                 |
| 2003-04            | 5,433             | 211,680,559                   | 1,230,000                        | 71,335                                 |
| 2004-05            | 5,433             | 229,488,246                   | 1,045,000                        | 74,795                                 |
| 2005-06            | 5,433             | 244,106,970                   | 850,000                          | 64,428                                 |
| 2006-07            | 5,433             | 251,088,683                   | 3,645,000                        | 32,042                                 |
| 2007-08            | 5,433             | 381,313,665                   | 3,350,000                        | 56,185                                 |
| 2008-09            | 5,433             | 416,592,823                   | 3,050,000                        | 58,323                                 |
| 2009-10            | 5,433             | 457,462,152                   | 2,735,000                        | 60,119                                 |

(1) Net of exemptions (information provided by Polk County Assessor/Collector's office)

(2) U.S. Census 1990

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

(4) U.S. Census 2000

TABLE C-2

| <b>Net Bonded<br/>Debt</b> | <b>Ratio of Net<br/>Bonded Debt<br/>to Assessed<br/>Value</b> | <b>Net Bonded<br/>Debt Per<br/>Capita</b> |
|----------------------------|---------------------------------------------------------------|-------------------------------------------|
| -                          | -                                                             | -                                         |
| -                          | -                                                             | -                                         |
| -                          | -                                                             | -                                         |
| -                          | -                                                             | -                                         |
| -                          | -                                                             | -                                         |
| -                          | -                                                             | -                                         |
| -                          | -                                                             | -                                         |
| -                          | -                                                             | -                                         |
| -                          | -                                                             | -                                         |
| -                          | -                                                             | -                                         |

TABLE C-3

**CITY OF LIVINGSTON, TEXAS  
COMPUTATION OF DIRECT AND OVERLAPPING DEBT  
September 30, 2010**

| <u>Governmental Unit</u>                   | <u>Outstanding Debt</u> | <u>Percentage Applicable to This Governmental Unit *</u> | <u>City of Livingston's Share of Debt</u> |
|--------------------------------------------|-------------------------|----------------------------------------------------------|-------------------------------------------|
| City of Livingston                         | \$ -                    | 100%                                                     | \$ -                                      |
| (1) Livingston Independent School District | 69,135,000              | 20%                                                      | 13,827,000                                |
| (2) County of Polk                         | 36,322,121              | 13%                                                      | <u>4,721,876</u>                          |
| Total direct and overlapping debt          |                         |                                                          | <u>\$ 18,548,876</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 business 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, 2010**

|                                                              |                       |
|--------------------------------------------------------------|-----------------------|
| Assessed value, year 2009                                    | <u>\$ 457,462,152</u> |
| Debt Limit - Ten Percent of assessed value                   | 45,746,215            |
| Amount of Debt Applicable to Debt Limit:                     |                       |
| General Obligation bonds                                     | 2,735,000             |
| Other debt (certificate of obligation and contracts payable) | <u>6,840,000</u>      |
| Total debt                                                   | <u>9,575,000</u>      |
| Less: Assets in debt service fund                            | 60,119                |
| Total amount of debt applicable to debt limit                | <u>9,514,881</u>      |
| Legal debt margin                                            | <u>\$ 36,231,334</u>  |

| <b>Fiscal Year</b> | <b>Debt Limit</b> | <b>Total Net Debt<br/>Applicable to<br/>Limit</b> | <b>Legal<br/>Debt Margin</b> | <b>Legal Debt<br/>Margin as a<br/>Percentage of<br/>the Debt Limit</b> |
|--------------------|-------------------|---------------------------------------------------|------------------------------|------------------------------------------------------------------------|
| 2001               | \$ 19,437,336     | \$ 4,799,674                                      | \$ 14,637,662                | 75.31%                                                                 |
| 2002               | \$ 20,237,607     | \$ 4,606,655                                      | \$ 15,630,952                | 77.24%                                                                 |
| 2003               | \$ 20,797,119     | \$ 9,461,043                                      | \$ 11,336,076                | 54.51%                                                                 |
| 2004               | \$ 21,168,056     | \$ 8,928,665                                      | \$ 12,239,391                | 57.82%                                                                 |
| 2005               | \$ 22,948,825     | \$ 8,385,205                                      | \$ 14,563,620                | 63.46%                                                                 |
| 2006               | \$ 24,410,697     | \$ 7,835,572                                      | \$ 16,575,125                | 67.90%                                                                 |
| 2007               | \$ 25,108,868     | \$ 8,912,958                                      | \$ 16,195,910                | 64.50%                                                                 |
| 2008               | \$ 38,131,367     | \$ 8,198,815                                      | \$ 29,932,552                | 78.50%                                                                 |
| 2009               | \$ 41,659,282     | \$ 7,476,677                                      | \$ 34,182,605                | 82.05%                                                                 |
| 2010               | \$ 45,746,215     | \$ 9,514,881                                      | \$ 36,231,334                | 79.20%                                                                 |

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.

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## **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.**



TABLE D-

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

---

| <b>Fiscal Year</b> | <b>Population</b> | <b>Personal<br/>Income</b> | <b>Per Capita<br/>Personal<br/>Income</b> | <b>Unemployment<br/>Rate</b> |
|--------------------|-------------------|----------------------------|-------------------------------------------|------------------------------|
| 2000-01            | 5,433             | 114,799,587                | 21,130                                    | 5.80%                        |
| 2001-02            | 5,433             | 131,989,302                | 24,294                                    | 6.00%                        |
| 2002-03            | 5,433             | 136,449,795                | 25,115                                    | 7.50%                        |
| 2003-04            | 5,433             | 136,770,342                | 25,174                                    | 7.70%                        |
| 2004-05            | 5,433             | 136,770,342                | 25,174                                    | 6.70%                        |
| 2005-06            | 5,433             | 146,913,753                | 27,041                                    | 6.30%                        |
| 2006-07            | 5,433             | 149,038,056                | 27,432                                    | 6.20%                        |
| 2007-08            | 5,433             | 165,695,634                | 30,498                                    | 6.20%                        |
| 2008-09            | 5,433             | 172,943,256                | 31,832                                    | 10.30%                       |
| 2009-10            | 5,433             | 186,243,240                | 34,280                                    | 9.60%                        |

\* Sources: Population provided by the 2000 census. Personal income provided by Bureau of Economic Analysis. Unemployment rate (for the years available) provided Bureau of Labor Statistics and Texas Labor Market Information as published by the Texas Workforce Commission.

TABLE D-2

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

| (*) Name                    | <b><u>2010</u></b> |             |                                             | <b><u>2001</u></b> |             |                                             |
|-----------------------------|--------------------|-------------|---------------------------------------------|--------------------|-------------|---------------------------------------------|
|                             | <u>Employees</u>   | <u>Rank</u> | <u>Percent of Total<br/>City Employment</u> | <u>Employees</u>   | <u>Rank</u> | <u>Percent of Total<br/>City Employment</u> |
| Livingston ISD              | 624                | 1           | 8.00%                                       | 600                | 1           | 8.82%                                       |
| Memorial Med. Center        | 500                | 2           | 6.41%                                       | 139                | 6           | 2.04%                                       |
| Wal-Mart Super Center       | 370                | 3           | 4.74%                                       | 500                | 2           | 7.35%                                       |
| County of Polk - Government | 335                | 4           | 4.29%                                       | 300                | 3           | 4.41%                                       |
| I A H Detention Facility    | 213                | 5           | 2.73%                                       | -                  | -           | 0.00%                                       |
| Sam Houston Electric Coop   | 159                | 6           | 2.04%                                       | -                  | -           | 0.00%                                       |
| The Bradford at Brookside   | 140                | 7           | 1.79%                                       | -                  | -           | 0.00%                                       |
| Pine Ridge Nursing Center   | 132                | 8           | 1.69%                                       | 175                | 4           | 2.57%                                       |
| Lowe's Home Improvement     | 127                | 9           | 1.63%                                       | -                  | -           | 0.00%                                       |
| Brookshire Bros.            | 85                 | 10          | 1.09%                                       | 148                | 5           | 2.18%                                       |
| First National Bank         | -                  |             | 0.00%                                       | 75                 | 8           | 1.10%                                       |
| First State Bank            | -                  |             | 0.00%                                       | 75                 | 7           | 1.10%                                       |
| City of Livingston          | -                  |             | 0.00%                                       | 75                 | 9           | 1.10%                                       |
| Eastex Telephone Coop       | -                  |             | 0.00%                                       | 60                 | 10          | 0.88%                                       |
|                             | <u>2,685</u>       |             | <u>34.42%</u>                               | <u>2,147</u>       |             | <u>31.57%</u>                               |

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

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## **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.**

TABLE E-1

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

| Full-time Equivalent Employees as of September 30, |                    |                    |                    |                    |                    |
|----------------------------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| <b><u>FUNCTION/PROGRAM</u></b>                     | <b><u>2001</u></b> | <b><u>2002</u></b> | <b><u>2003</u></b> | <b><u>2004</u></b> | <b><u>2005</u></b> |
| Administrative                                     | 8                  | 8                  | 8                  | 9                  | 9                  |
| Fire <b>A</b>                                      | 1                  | 1                  | 1                  | 1                  | 1                  |
| Police                                             |                    |                    |                    |                    |                    |
| Officers                                           | 18                 | 17                 | 17                 | 18                 | 18                 |
| Other staff                                        | 4                  | 5                  | 4                  | 4                  | 5                  |
| Paving and street                                  | 6                  | 6                  | 7                  | 7                  | 6                  |
| Parks and recreation                               | 9                  | 7                  | 7                  | 7                  | 9                  |
| Library                                            | 4                  | 4                  | 4                  | 4                  | 4                  |
| Garage                                             | 2                  | 2                  | 2                  | 2                  | 2                  |
| Electric, Water & Sewer                            | <u>17</u>          | <u>18</u>          | <u>18</u>          | <u>18</u>          | <u>18</u>          |
| Total                                              | 69                 | 68                 | 68                 | 70                 | 72                 |

Sources: Various City Departments

A. The City does not have a paid fire department. The City has approximately 40 citizens who volunteer to serve in the fire department.

B. Includes 2 employees assigned to community development for 2006 and subsequent years.

TABLE E-

| <b>2006</b> | <b>2007</b> | <b>2008</b> | <b>2009</b> | <b>2010</b> |
|-------------|-------------|-------------|-------------|-------------|
| <b>10 B</b> | <b>11 B</b> | <b>12 B</b> | <b>10 B</b> | <b>10 B</b> |
| 2           | 2           | 2           | 2           | 2           |
| 18          | 18          | 17          | 18          | 18          |
| 5           | 5           | 6           | 6           | 6           |
| 7           | 7           | 5           | 5           | 6           |
| 9           | 10          | 8           | 11          | 11          |
| 5           | 5           | 4           | 5           | 5           |
| 2           | 2           | 2           | 2           | 2           |
| <u>19</u>   | <u>16</u>   | <u>18</u>   | <u>18</u>   | <u>19</u>   |
| 77          | 76          | 74          | 77          | 79          |

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

| <b><u>FUNCTION/PROGRAM</u></b>    | <b>Fiscal Year</b> |                    |                    |                    |
|-----------------------------------|--------------------|--------------------|--------------------|--------------------|
|                                   | <b><u>2001</u></b> | <b><u>2002</u></b> | <b><u>2003</u></b> | <b><u>2004</u></b> |
| Police                            |                    |                    |                    |                    |
| Violations (Traffic & Criminal)   | 2,959              | 2,993              | 2,788              | 2,241              |
| Fire                              |                    |                    |                    |                    |
| Fire Calls                        | 615                | 609                | 510                | 488                |
| Library                           |                    |                    |                    |                    |
| Volumes of Books                  | 22,812             | 22,846             | 23,863             | 23,383             |
| Electric                          |                    |                    |                    |                    |
| Average daily kilowatt hours sold | 199,352            | 198,484            | 202,958            | 219,935            |
| Total customers                   | 3,170              | 3,232              | 3,221              | 3,238              |
| Water                             |                    |                    |                    |                    |
| Average daily consumption         | 1,497,025          | 1,342,285          | 1,284,118          | 1,314,511          |
| Total connections                 | 3,076              | 3,056              | 3,123              | 3,143              |

Sources: Various City Departments

**TABLE E-2**

| <b>2005</b> | <b>2006</b> | <b>2007</b> | <b>2008</b> | <b>2009</b> | <b>2010</b> |
|-------------|-------------|-------------|-------------|-------------|-------------|
| 2,761       | 2,493       | 3,047       | 2,823       | 3,309       | 3,317       |
| 592         | 592         | 728         | 863         | 797         | 717         |
| 24,425      | 22,212      | 22,426      | 20,770      | 22,409      | 22,287      |
| 224,874     | 226,791     | 227,240     | 224,443     | 230,289     | 238,439     |
| 3,278       | 3,281       | 3,325       | 3,329       | 3,331       | 3,296       |
| 1,415,414   | 1,347,551   | 1,347,079   | 1,445,855   | 1,480,375   | 1,567,956   |
| 3,186       | 3,213       | 3,224       | 3,214       | 3,270       | 3,265       |



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

| <b>FUNCTION/PROGRAM</b>        | <b>Fiscal Year</b> |             |             |             |
|--------------------------------|--------------------|-------------|-------------|-------------|
|                                | <b>2001</b>        | <b>2002</b> | <b>2003</b> | <b>2004</b> |
| Police                         |                    |             |             |             |
| Patrol Units                   | 9                  | 9           | 9           | 9           |
| Fire                           |                    |             |             |             |
| Stations and substation        | 2                  | 2           | 2           | 2           |
| Vehicles including fire trucks | 9                  | 9           | 8           | 8           |
| Paving and Street              |                    |             |             |             |
| Miles of Paved Streets         | 49.20              | 49.20       | 49.20       | 49.20       |
| Miles of Paved Sidewalks       | 12.50              | 12.50       | 12.50       | 12.50       |
| Street lights                  | 686                | 691         | 693         | 697         |
| Night lights                   | 420                | 435         | 438         | 453         |
| Parks & Recreation             |                    |             |             |             |
| Acres of Parks                 | 373.50             | 373.50      | 373.50      | 373.50      |
| Water                          |                    |             |             |             |
| Miles of water mains           | 33.95              | 33.95       | 33.95       | 33.95       |
| Storage capacity-gallons       | 2,150,000          | 2,150,000   | 2,150,000   | 2,150,000   |
| Sewer                          |                    |             |             |             |
| Miles of sewer lines           | 78.12              | 78.12       | 78.12       | 78.12       |

Sources: Various City Departments

TABLE E-3

| <b>2005</b>                  | <b>2006</b>                  | <b>2007</b>                  | <b>2008</b>                  | <b>2009</b>                  | <b>2010</b>                  |
|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
| 9                            | 9                            | 9                            | 7                            | 8                            | 10                           |
| 2<br>9                       | 2<br>9                       | 3<br>9                       | 3<br>17                      | 3<br>17                      | 3<br>17                      |
| 49.20<br>12.50<br>703<br>466 | 49.20<br>12.50<br>711<br>481 | 49.20<br>12.50<br>711<br>481 | 53.24<br>12.50<br>721<br>468 | 55.74<br>12.50<br>721<br>468 | 58.06<br>12.50<br>723<br>424 |
| 373.50                       | 373.50                       | 373.50                       | 373.50                       | 373.50                       | 373.50                       |
| 33.95<br>2,150,000           | 33.95<br>2,150,000           | 33.95<br>2,150,000           | 34.40<br>2,150,000           | 35.98<br>2,150,000           | 40.43<br>2,150,000           |
| 78.12                        | 78.12                        | 78.12                        | 78.88                        | 78.88                        | 80.00                        |

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**MISCELLANEOUS STATISTICAL DATA - UNAUDITED**

## CITY OF LIVINGSTON, TEXAS

**MISCELLANEOUS STATISTICAL DATA - UNAUDITED**

|                        |                                                                                                  |
|------------------------|--------------------------------------------------------------------------------------------------|
| DATE OF INCORPORATION: | October 3, 1902                                                                                  |
| GOVERNMENT:            | General Law City<br>Council - Manager<br>Elected Officials:<br>Mayor<br>Five (5) Council members |
| POPULATION:            | 1990 U.S. Census - 5,019<br>2000 U.S. Census - 5,433<br>2010 U.S. Census - 6155 (Preliminary)    |

**INCORPORATED AREA IN ACRES LAST TEN YEARS**

|      |       |      |       |
|------|-------|------|-------|
| 2001 | 5,440 | 2006 | 5,456 |
| 2002 | 5,440 | 2007 | 5,465 |
| 2003 | 5,440 | 2008 | 5,465 |
| 2004 | 5,441 | 2009 | 5,537 |
| 2005 | 5,456 | 2010 | 5,554 |

**TRANSPORTATION FACILITIES**Streets

58.06 Miles paved street  
10.45 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, tiedowns, telephone  
Privately owned hangars  
Airport lighted

**WATER AND SANITATION FACILITIES**Water Mains

12" 9.30 miles  
8" 9.38 miles  
6" 21.75 miles

Water Pumpage

Present requirements 1,800,000  
gallons per day

Water Storage

Elevated - 800,000 gallons  
Ground - 1,350,000 gallons

Sewer Lines

Sanitation - 80.00 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+                         | 5                          |
| Electric               | 8                          | 20-30                       | 8                          |
| Water                  | 8                          | 15-19                       | 6                          |
| Sewer                  | 3                          | 10-14                       | 14                         |
| Police                 | 24                         | 6-9                         | 12                         |
| Street                 | 6                          | 1-5                         | 30                         |
| Parks and Recreational | 6                          | Less than (one) 1 year      | 4                          |
| Library                | 5                          |                             |                            |
| Garage                 | 2                          |                             | <u>79</u>                  |
| Community Devel.       | 2                          |                             |                            |
| Fire                   | 2                          |                             |                            |
| Mainstreet             | 1                          |                             |                            |
| Trade Days             | <u>2</u>                   |                             |                            |
| Total                  | <u>79</u>                  |                             |                            |

**PERSONNEL POLICY PROVISIONS**

|                                                                                               |                                                                                                                                                                                                        |
|-----------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Cost of Living Salary Adjustment                                                              | Paid insurance Benefits - all regular full-time employees and portion of dependents (hospitalization and life insurance, dental and vision prescription cards) and portion of dependent medical costs. |
| Merit System (all employees)                                                                  | Retirement Benefits ratio match 2:1                                                                                                                                                                    |
| Paid vacation (80 hours after one year) (120 hours after 10 years) (160 hours after 20 years) | Social Security                                                                                                                                                                                        |
| Paid sick leave (80 hours) with 240 hours accrual                                             | Volunteer Program (MVP)                                                                                                                                                                                |
| Paid Holidays (Nine)                                                                          | Sick Leave Pool                                                                                                                                                                                        |
| Bereavement Leave (24 hours)                                                                  | Holiday Compensation                                                                                                                                                                                   |
| Earned personal leave days (Two)                                                              | Law Enforcement Certificate Pay                                                                                                                                                                        |
| Award program-Annual banquet, safety, service, attendance, and volunteer awards.              | Paid uniforms for all service personnel                                                                                                                                                                |
| Education tuition reimbursement                                                               | Healthy initiative program                                                                                                                                                                             |
| Family Leave (FMLA)                                                                           | Water/Wastewater Certificate pay                                                                                                                                                                       |
| Workers Compensation Program                                                                  |                                                                                                                                                                                                        |

## CITY OF LIVINGSTON, TEXAS

## MISCELLANEOUS STATISTICAL DATA - UNAUDITED

| <b><u>POLICE PROTECTION</u></b>                       |                                          |                                               |
|-------------------------------------------------------|------------------------------------------|-----------------------------------------------|
| <b><u>Personnel</u></b>                               |                                          | <b><u>Equipment</u></b>                       |
| One (1) Chief                                         | One (1) Municipal Court Judge            | Ten (10) Patrol Units                         |
| One (1) Lieutenant                                    | One (1) Secretary/Comm. Spv              | Eight (8) Radars                              |
| Four (4) Sergeants                                    | One (1) Corporation Clerk                | Radio Communication System                    |
| Two (2) Detectives                                    | One (1) Records Clerk                    | Computer System                               |
| Eight (8) Officers                                    | One (1) Associate Municipal              |                                               |
| Three (3) Reserve Officers                            | Court Judge                              |                                               |
| Four (4) Telecommunication Operators                  |                                          | <b><u>Traffic and Criminal Violations</u></b> |
| One (1) Relief Telecommunication Operator             |                                          | \$134,600 fines collected                     |
| One (1) Animal Control Officer                        |                                          | 3,317 violations                              |
| Two (2) School Officers                               |                                          |                                               |
| <b><u>FIRE PROTECTION</u></b>                         |                                          |                                               |
| <b><u>Personnel</u></b>                               | <b><u>Housing</u></b>                    |                                               |
| One (1) Fire Chief                                    |                                          |                                               |
| Thirty-seven (37) volunteer firemen                   |                                          |                                               |
| Three (3) radio dispatchers - full time and standby   | 1992 Station 1 - 8 Truck bays, 2 offices |                                               |
| One (1) secretary                                     | 1 classroom, and 1 workroom              |                                               |
| <b><u>Equipment</u></b>                               |                                          |                                               |
| Five (5) pumpers (1-1000 GPM; 3-1250 GPM; 1-750 GPM)  | 1996 Station 2 - 5 Truck bays            |                                               |
| One (1) aerial ladder truck (1750 GPM)                |                                          |                                               |
| Two (2) tankers (3000 gal. capacity)                  | 2007 Station 3 - 2 Truck bays            |                                               |
| One (1) Haz-Mat truck                                 |                                          |                                               |
| Two (2) rescue boats and equipment                    | Fire Training Field - Used for live      |                                               |
| One (1) Command Post-32' self-contained               | fire training and other rescue classes   |                                               |
| Radio communication system including 50 mobile units, |                                          |                                               |
| dispatch module and 6 remotes                         |                                          |                                               |
| "Jaws" of life (4 sets with 1 set of air bags)        |                                          |                                               |
| Water rescue equipment                                |                                          |                                               |
| Trench rescue equipment                               |                                          |                                               |
| Rope rescue equipment                                 |                                          |                                               |
| Two (2) Thermal imagers                               |                                          |                                               |
| Two (2) utility vehicle                               |                                          |                                               |
| Two (2) Grass/brush fire trucks                       |                                          | <b><u>Total Fire Calls</u></b>                |
| One (1) Heavy Rescue                                  | 50 gallons Micro Blaze                   | 2009-2010 - 717 fire call                     |
| 1-6 Bottle cascade system-light tower                 | 40 self-contained air packs              |                                               |
| 1-8 Bottle cascade system                             | 6 generators                             |                                               |
| 300 gallons AFFF Foam                                 | 8 entry saws                             |                                               |
| 200 gallons Forestry Foam                             | Hazardous material equipment             |                                               |
| One (1) John Deere Gator                              | 3 Ventilation saws                       |                                               |
|                                                       | 2 Metal cutoff saws                      |                                               |
|                                                       | 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 (Preliminary) | 6,155 |

**ENTERPRISES AS OF SEPTEMBER 30, 2010**

|                                                          |                          |                                                   |
|----------------------------------------------------------|--------------------------|---------------------------------------------------|
| (1) Centerpoint Energy                                   | Gas Utility              | Active Customers 1,302<br>Inactive Customers N/A  |
| (1) Versalink Media                                      | Television Cable         | Customers - 363                                   |
| (1) Livingston Telephone Co.                             | Telephone System         | Access Lines - 4,062                              |
| (1) Telcom Supply                                        | Television Cable         | Customers - 908                                   |
| City of Livingston                                       | Electric & Water Systems | Electric Customers 3,296<br>Water Customers 2,717 |
| (1) Information provided by individual corporate offices |                          |                                                   |

**CITY ELECTRIC DEPARTMENT STATISTICS (LAST TEN YEARS)**

| Fiscal<br>Year | Number of<br>Customers | KWH Consumed |            | Total      |
|----------------|------------------------|--------------|------------|------------|
|                |                        | Residential  | Commercial |            |
| 2001           | 3,170                  | 29,378,803   | 43,067,743 | 72,446,546 |
| 2002           | 3,232                  | 28,769,229   | 48,636,624 | 77,405,853 |
| 2003           | 3,221                  | 29,146,576   | 49,115,934 | 78,262,510 |
| 2004           | 3,238                  | 29,229,573   | 51,046,854 | 80,276,427 |
| 2005           | 3,278                  | 30,113,643   | 51,965,355 | 82,078,998 |
| 2006           | 3,281                  | 29,935,701   | 52,842,837 | 82,778,538 |
| 2007           | 3,325                  | 30,371,804   | 52,570,936 | 82,942,740 |
| 2008           | 3,329                  | 29,226,472   | 52,695,081 | 81,921,533 |
| 2009           | 3,331                  | 30,428,769   | 53,626,613 | 84,055,382 |
| 2010           | 3,296                  | 32,130,530   | 54,899,882 | 87,030,412 |



## CITY OF LIVINGSTON, TEXAS

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

|         |              |
|---------|--------------|
| 2000-01 | \$ 2,040,731 |
| 2001-02 | \$ 2,189,216 |
| 2002-03 | \$ 2,199,629 |
| 2003-04 | \$ 2,324,945 |
| 2004-05 | \$ 2,544,289 |
| 2005-06 | \$ 2,885,734 |
| 2006-07 | \$ 3,144,640 |
| 2007-08 | \$ 3,232,037 |
| 2008-09 | \$ 3,392,552 |
| 2009-10 | \$ 3,012,227 |

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

| <u>Year</u> | <u>Gallons Consumed *</u> | <u>Gallons Pumped</u> |
|-------------|---------------------------|-----------------------|
| 2001        | 489,934,000               | 602,301,000           |
| 2002        | 468,703,000               | 580,397,000           |
| 2003        | 479,796,400               | 613,309,000           |
| 2004        | 481,082,000               | 615,675,000           |
| 2005        | 516,626,000               | 644,243,000           |
| 2006        | 491,856,000               | 649,023,000           |
| 2007        | 491,684,000               | 642,198,000           |
| 2008        | 527,737,000               | 701,968,000           |
| 2009        | 540,337,000               | 704,626,000           |
| 2010        | 572,304,000               | 698,683,000           |

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

**\* EDUCATIONAL FACILITIES**Public Schools

Timbercreek Elementary (Pre-K - 3)  
Pine Ridge Elementary (Pre-K - 3)  
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 Miscellaneous Data

Teachers - 278 Certified  
62 Aides Para Professional  
208 Auxiliary  
Average Daily Attendance - 4,004 Inclusive

Public School Administrative Personnel

Superintendent - One (1)  
Asst. Superintendent - Three (3)  
Principals - Seven (7)  
Asst. Principals - Eight (8)  
Counselors - Seventeen (17)  
Directors of Special Prog./Curriculum -  
Nine (9)  
Other - 31

Private

Private Kindergarten and/or  
Nursery Schools - Six (6)

\* 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.

Youth Center - South Washington

Four and one-half (4 1/2) acres  
 Playground area

Murphy Memorial Library

Located 601 West Church Street, Constructed  
 in 1967. Construction Value \$120,000. Staff-  
 Professional Librarian, Three (3) Assistants,  
 One (1) Aide, Janitorial help.  
 Volumes; 2010 - 22,287

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,  
 3 softball fields, lake, concession  
 stand, restrooms, and maintenance shop.

**ELECTION INFORMATION**

|                                                    |        |
|----------------------------------------------------|--------|
| * Number of registered voters in County            | 42,034 |
| * Number voting in last general election           | 20,323 |
| Number of registered voters in City                | 3,246  |
| ** Number voting in last Municipal election (2008) | 910    |
| Percentage of voters voting:                       |        |
| Last general election (County) (2008)              | 56.0%  |
| ** Last Municipal election (Municipal) (2008)      | 28.3%  |

\* Information provided by Polk County Clerk's Office and Polk County Tax Office.

\*\* Information provided by City of Livingston.

**CITY OF LIVINGSTON, TEXAS  
CITY OFFICIALS  
For the Year Ended September 30, 2010**

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| <u>Name</u>      | <u>Title</u>   | <u>Amount of<br/>Surety Bond</u> |
|------------------|----------------|----------------------------------|
| Clarke Evans     | Mayor          | \$ 25,000                        |
| E. Ray Hill      | Alderman       | 25,000                           |
| Judy Cochran     | Alderwoman     | 25,000                           |
| Billy S. Wiggins | Alderman       | 25,000                           |
| Raymond Luna     | Alderman       | 25,000                           |
| Elgin Davis      | Mayor Pro-tem  | 25,000                           |
| Marilyn Sutton   | City Manager   | 25,000                           |
| Ellie Monteaux   | City Secretary | 25,000                           |
| Gaffney Phillips | City Attorney  | 25,000                           |

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