

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

**FISCAL YEAR  
OCTOBER 1, 2013 - SEPTEMBER 30, 2014**

**ISSUED BY: FINANCE DEPARTMENT**

**MARILYN SUTTON**

**CITY OF LIVINGSTON, TEXAS  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
SEPTEMBER 30, 2014**

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# *City of Livingston, Texas*

A Texas Main Street City Since 2005

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March 5, 2015

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, 2014 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, 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.

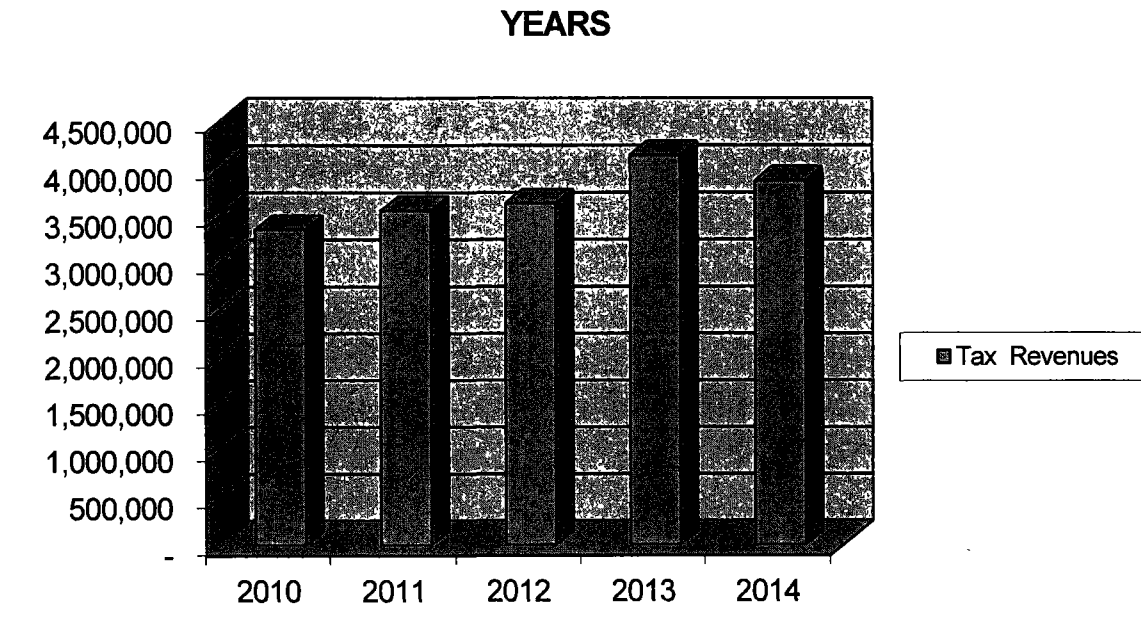
All internal control evaluations occur within the above framework. We believe that the City's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

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

The local economy experienced growth in some economic indicators in 2014 while other economic indicators experienced a decline. Sales tax revenue, a major indicator of the economic condition of the area, decreased from \$3,731,000 to \$3,432,000, a decrease of \$299,000 or 8.0%.

A graph of tax receipts follows:



In fiscal 2014, hotel occupancy tax increased by 17.7%, gross receipts and franchise fees decreased by 10.8%, sanitation service revenue increased by 2.8%, municipal court fines increased by 1.9%, and parks and recreation and library user fees decreased by 9.7%.

The Utility Fund revenues, including electric and water sales, were affected by milder than normal temperatures and frequent rainfall this past year. While both electric sales revenue and electric kWh sales increased, it was only minimally. Water sales and sewer service revenue increased by 11.2%, or \$481,080 for the fiscal year with total gallons of water consumed decreasing from 560,064,000 in 2013 to 532,994,000 in 2014. The Texas Department of Criminal Justice Polunsky Unit, located on FM 350 South, continued as the City's leading water and wastewater user consuming 238,498,000 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 29,814,000 gallons of water. Together, these two facilities represent 39.78% of water and sewer consumption, or 268,312,000 gallons of the total water consumed in fiscal year 2014. In addition to the increases in electric and water usage and revenue, the City experienced an increase in the number of electric utility customers from 3310 in 2013 to 3320 in 2014.



## Economic Development

A total of 61 building permits were issued by the City of Livingston for commercial and residential construction projects in calendar year 2014 with a total construction value of \$9,473,160. This activity demonstrates the positive economic climate in the local community which is expected to continue into the new year with additional projects currently in the planning and development stages.

The opening of the new Polk County Community College and Commerce Center located on the US 59 North bypass in August, 2013 had an extremely positive impact on the community in many ways - educationally, economically and culturally. Additionally, numerous new and/or renovated businesses which opened in 2014 or are currently under construction will generate additional sales tax revenue, utility revenues and jobs for the community. New and/or renovated businesses and commercial developments underway or completed in 2014 include:

- STI group - a gas and chemical service contractor located in the building formerly occupied by Postel Industries on South Washington currently employing 100 workers
- Texas Slam - a recreational training academy and baseball facility with indoor batting cages, an archery range and two baseball fields located on West Park Drive adjacent to Pedigo Park which opened this summer
- Newly renovated What-A-Burger restaurant which reopened in November
- An historical elevator renovation project at the Polk County Courthouse
- Construction of a new 6,417 square foot office and recreation center to serve the Livingston Housing Authority project located on Pine Street
- Renovation of a vacant building in Pineborough Shopping Center as The Factory Connection, a retail clothing outlet
- Murphy's Gas Station - A 1200 square foot convenience store with 6 gas/diesel pumps to be located on the southeast corner of the Wal-Mart parking lot.
- Melbo's Gas and Car Wash - The project involves the demolition of the existing convenience store and car wash at US 190 and SH 146 intersection and construction of a new convenience store and gas station at this location.
- Thom Bruning - Remodeling of the first floor of the building at 309 North Jackson Street as a retail consignment shop for artisans - Across the Tracks opened in November, 2014
- El Patron Grille - Renovation of a building in Jackson Square as a new Mexican restaurant.
- The Bull Shack - Construction of a new coffee shop at 113 Commerce Lane in Southpoint Center which opened in November, 2014.
- Wal-Mart - Project includes an interior remodel of the refrigeration units in the existing store.
- CVS - Project includes an interior remodel of the pharmacy portion of the existing store.

- Great Beginnings - Construction of a new educational facility at First United Methodist Church
- Polk County Central Appraisal District - Construction of a 2,320 square foot expansion of the existing facility located on Matthews Street.
- Livingston Independent School District Cedar Grove School Campus - Construction is underway for a new gymnasium, locker rooms and showers for the football stadium on Pine Street.
- David Mallory - Permit has been issued for a new single family residential development consisting of 14 individual units in the 1100 block of North Houston.
- Church Street Financial - The project involves the construction of a new 6,000 square foot building at the corner of FM 350 South and US 190 West.
- Senior Living Center CP Homes - Preliminary plans are for an 8,000 square foot assisted living facility with 24 single rooms to be constructed on North Washington (Business 59)
- Polk County Mission Center - The project involves the demolition of the existing building located at Garner and South Washington and the construction of a new 4,000 square foot building.
- Convenience Store and Retail Lease Space (restaurants) Proposed project includes a convenience store with gas pumps, and two lease spaces for restaurants at the intersection of Willis Street and Church Street (US 190).
- La Casita - Expansion of an existing Mexican restaurant

#### Future Economic Outlook

A major project which will continue to significantly impact the community for many years to come is the Polk County Community College/Commerce Center which completed the first full year of operation in August, 2014. Enrollment in the fall, 2014 semester at the Angelina College satellite campus was 262 students attending day and night classes. Activity at the Commerce Center has increased steadily with many special events and musical performances having been held in the past year.

The Retail Analysis Merchandising Plan for the Livingston area, which was funded through the Polk County Economic and Industrial Development Corporation, continues to guide the economic development staff and Catalyst Commercial, Inc. to make contacts with the key retailers identified in the study. This study has helped determine the retail trade potential for the area and will help ensure that future development in the area is consistent with existing market and economic factors. We continue to receive inquiries for new retail and restaurant sites in the community.

As we begin the new year, sales tax revenue has increased for the first four months of the 2014 - 2015 fiscal year by about 3.1% from the first four months of 2013 - 2014 and other leading economic indicators continue to show signs of improvement so we believe that the local economy will continue to experience gradual growth in the coming year.

## Major Initiatives

In 2011, the City Council and administrative staff completed the process of developing a new 5-year strategic plan. This process involved input from a community survey from our residents, a planning session with supervisory personnel and a City Council workshop to address future infrastructure needs, assess facilities and equipment, programming and service delivery needs and determine future personnel staffing needs for the community.

Two major capital improvement projects, which were funded through the issuance of Certificates of Obligation, Series 2012, were completed during the 2013 - 2014 year:

- I. Landmark Structures was awarded the contract for the construction of a 1,000,000 gallon elevated water storage tank on the west side of Livingston to accommodate the growth along US 190 West and FM 350 South. Construction began in March, 2013 on the \$2,262,000 project and was completed in April, 2014.
- II. J. E. Kingham Construction Company was awarded the contract for the renovation of the Wadsworth facility at the corner of Tyler Street and Milam Street as a new 17,500 square foot library. Construction began in March, 2013 at a cost not to exceed \$2,352,741. The project included a public sitting area with wireless internet access and a vending area, an expanded public use computer room, a separate young adult area and children's area along with books and current materials, a staff workroom and librarian's office on the first floor. The second floor includes a genealogy library, additional space for children's activities and the Friends of the Library organization, and multiple conference rooms for various community groups. The new library was completed and opened in May, 2014 with a new name - Livingston Municipal Library.

Construction also began on two other major capital improvement projects, which were funded by bonds issued by the Trinity River Authority and operating funds from the Sam Rayburn Municipal Power Agency, during the 2013 - 2014 year:

- III. The Trinity River Authority (TRA) awarded a contract to Layne Heavy Civil in the amount of \$16,148,000 for the expansion and rehabilitation of the existing water treatment plant on FM 350 South which treats and delivers the City's supply of water. Construction began in October, 2013 with an estimated completion date of summer 2015. This project will increase the daily amount of water supplied from Lake Livingston to the City from 3,000,000 gallons per day (MGD) to 5,000,000 gallons per day (MGD) which will ensure the ability of the City to meet the current and long-term needs of the community for many years to come.
- IV. The Sam Rayburn Municipal Power Agency (SRMPA) awarded a contract to Kulaga Construction Company in the amount of \$727,205 for the construction of a 2.7 mile electric express feeder to connect the Livingston electric substation on the east side of Livingston with the Ogletree electric substation on the west side of Livingston to provide increased reliability and redundancy in the city's electrical distribution system. Work began in November, 2013 with an expected completion date of early 2015.

Continuing the focus on improving the city's infrastructure, the City Council has set the rehabilitation and improvement of existing streets as the highest priority in the 2014 - 2015 fiscal year. By allocating \$1,000,000 from existing fund balances to pay for these improvements, no long-term debt will have to be issued to fund the street improvement project. Additionally, the current 2014 - 2015 budget includes the interior and exterior renovation of the 300,000 gallon elevated water storage tank on Cemetery Hill as well as an expansion and upgrade of a sanitary sewer lift station located on the US 59 south bypass.

Both of these projects will be funded with the balance of funds remaining from the Certificates of Obligation, Series 2012.

The City strives to provide an efficient and cost-effective 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 within a 75-mile radius of Livingston.

#### 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 2014 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, 2014, 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, 2013. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

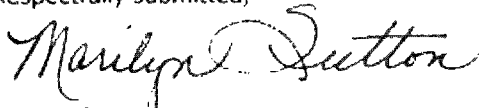
In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, whose contents conform to program standards. Such Comprehensive Annual Financial Report must satisfy both generally accepted accounting 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-six consecutive years (fiscal years ended 1988-2013). 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,

A handwritten signature in cursive script that reads "Marilyn Sutton".

Marilyn Sutton  
City Manager and Chief Financial Officer

# **CITY OF LIVINGSTON, TEXAS**

**September 30, 2014**

## **PRINCIPAL OFFICIALS**

### **City Council**

Mayor

Clarke Evans

Mayor Pro-tem

Judy Cochran

Alderman

Elgin Davis

Alderman

E. Ray Hill

Alderman

Raymond Luna

Alderman

Billy S. Wiggins

### **Administration**

City Manager

Marilyn Sutton

City Secretary

Ellie Monteaux

City Attorney

Jim Wright

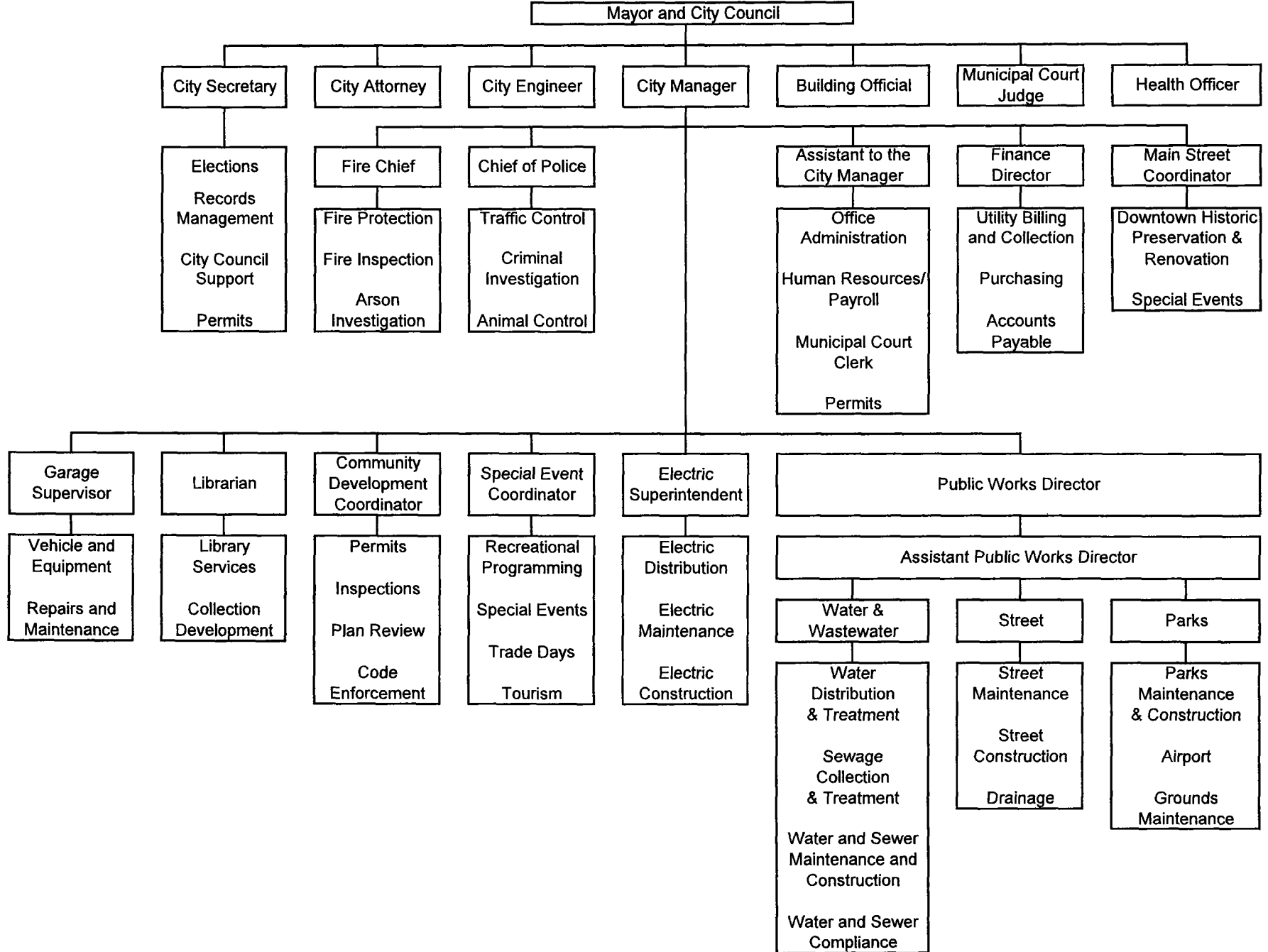
### **Form of Government**

Council - Manager

General Law City

# CITY OF LIVINGSTON, TEXAS ORGANIZATIONAL CHART

2015





Government Finance Officers Association

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

Presented to

**City of Livingston  
Texas**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**September 30, 2013**

A handwritten signature in black ink, reading "Jeffrey R. Enen". The signature is written in a cursive, flowing style with a prominent 'J' and 'E'.

Executive Director/CEO





## **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 of the City of Livingston, Texas, as of and for the year ended September 30, 2014, and the related notes to the financial statements which collectively comprise the City's basic financial statements as listed in the Table of Contents.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the major fund, and the remaining fund information of the City of Livingston, Texas, as of September 30, 2014, and the respective changes in financial position and where applicable, cash flows, thereof and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4–13 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Livingston, Texas, basic financial statements. The introductory section, budgetary comparison schedules, individual fund financial statements, and statistical information listed in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting records used to prepare the financial statements. The information, except for the portion marked unaudited, has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

The introductory and statistical information have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

*Harper & Pearson Company, P.C.*

Houston, Texas  
March 5, 2015

**CITY OF LIVINGSTON, TEXAS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**SEPTEMBER 30, 2014**

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, 2014. Please read it in conjunction with the accompanying transmittal letter and the accompanying basic financial statements.

**FINANCIAL HIGHLIGHTS**

- The City's net position of governmental activities decreased by \$611,000 or 12.2% as a result of the year's operations. The decrease was due primarily to a decline in sales tax and franchise tax revenue of \$316,000, a decrease in grants for the police department of \$63,000, and an increase in expenses of \$200,000 that affected all departments. In addition, there was a decrease to the opening net position for governmental activities of \$131,000 as a result in a change in accounting for bond issue costs that were being amortized. Net position of the City's business type activities increased by \$2,142,000 or 8.6% during 2014. This increase was primarily a result of transfers received for water system improvements and operating results for 2014.
- The City's total net position increased by \$1,531,000 or 5.1% during the current fiscal year. The increase is the result of the increases described above.
- Total cost of the City's government programs increased \$206,000 or 3.2%. Expenses increased in virtually all departments. The largest contributor to the increase was the increased police department costs of \$60,000, sanitation department costs of \$50,000, and fire department and street department costs of \$24,000 each.
- As of September 30, 2014, the City of Livingston's governmental funds reported combined ending fund balances of \$2,117,000 a decrease of \$2,116,000 in comparison with the prior fiscal year. The decrease is due primarily to the expenditure for library improvements (\$1,016,000) and transfers to the Electric Water and Sewer Fund (\$1,514,000) for water system improvements.
- At the end of the current fiscal year, the unassigned fund balance for the general fund was \$1,271,000 or approximately 22.0% of total general fund expenditures.
- The City's total bonded debt decreased by \$990,000 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 position presents information on all of the City of Livingston's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City of Livingston is improving or deteriorating. The statement of net position combines and consolidates governmental funds current financial resources (short-term spendable resources) with capital assets and long-term obligations. Other non-financial factors should also be taken into consideration, such as changes in the City's sales tax base and the condition of the City's infrastructure (i.e. roads, drainage improvements, storm and sewer lines, etc.), to assess the overall health or financial condition of the City.

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

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

- Governmental activities - Most of the City's basic services are reported here, including the police, fire, libraries, parks development, public services and operations, information services and general administration. Sales 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 Position and the Statement of Activities) and governmental funds are 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 position and the statement of activities. In fact, the City's proprietary fund is identical to the business-type activities that are reported in the government-wide statements but provide more detail and additional information, such as cash flows. The City uses the proprietary fund to account for its electric, water and sewer activities.

### **Other Information**

In addition to the basic financial statements and accompanying notes, this report presents certain required supplementary information concerning the City's 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 42-44 of this report.

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

The City's combined net position was \$31,234,000 as of September 30, 2014. Analyzing the net position of governmental and business-type activities separately, the business type activities net position is \$26,986,000. This analysis focuses on the net position (Table 1) and changes in net position (Table 2) and significant expenses of the City's governmental and business-type activities.

By far the largest portion of the City's net position (74.34%) 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.

City of Livingston, Texas  
Management's Discussion and Analysis (continued)  
September 30, 2014

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

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

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total Primary Government</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
Current and other assets	\$ 2,374,442	\$ 4,971,266	\$ 8,490,799	\$ 7,757,821	\$ 10,865,241	\$ 12,729,087
Capital assets	<u>11,501,584</u>	<u>10,986,459</u>	<u>42,764,016</u>	<u>41,901,672</u>	<u>54,265,600</u>	<u>52,888,131</u>
Total assets	<u>13,876,026</u>	<u>15,957,725</u>	<u>51,254,815</u>	<u>49,659,493</u>	<u>65,130,841</u>	<u>65,617,218</u>
Long-term debt outstanding	9,370,000	10,360,000	22,510,000	23,140,000	31,880,000	33,500,000
Other liabilities	<u>257,636</u>	<u>607,987</u>	<u>1,758,801</u>	<u>1,675,318</u>	<u>2,016,437</u>	<u>2,283,305</u>
Total liabilities	<u>9,627,636</u>	<u>10,967,987</u>	<u>24,268,801</u>	<u>24,815,318</u>	<u>33,896,437</u>	<u>35,783,305</u>
Net position:						
Invested in capital assets, net of related debt	2,964,659	4,315,590	20,254,016	18,761,672	23,218,675	23,077,262
Restricted	12,825	11,906	111,356	103,626	124,181	115,532
Unrestricted	<u>1,270,906</u>	<u>662,242</u>	<u>6,620,642</u>	<u>5,978,877</u>	<u>7,891,548</u>	<u>6,641,119</u>
Total net position	<u>\$ 4,248,390</u>	<u>\$ 4,989,738</u>	<u>\$ 26,986,014</u>	<u>\$ 24,844,175</u>	<u>\$ 31,234,404</u>	<u>\$ 29,833,913</u>

An additional portion of the City's net position (.4%) represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net position \$7,891,548 may be used to meet the government's ongoing obligations to citizens and creditors.

As of September 30, 2014, the City is able to report positive balances in all three categories of net position, 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 \$2,082,000. This decrease was primarily related to the transfers to the Electric Water and Sewer Fund for water system improvements. Long-term debt of governmental activities also decreased by \$990,000 as a result of the payment on outstanding bonds. The long-term debt of the business type activities decreased by \$630,000 as the City began amortizing their contract rights with the Trinity River Authority that were used to expand the City's water system.

**Analysis of the City's Operations** Overall the City had an increase in net position of \$1,400,491.

### **Governmental Activities**

Governmental activities decreased net position by \$610,791. Net position invested in capital assets, net of related debt decreased by \$1,350,931 or 31.3% due to the repayment of outstanding bonds and investment in equipment, buildings, and infrastructure net of depreciation. Unrestricted net position increased by \$608,664 as a result of transfers from business-type activities and the associated decrease in net position invested in capital assets.

Total revenues for governmental activities decreased from the previous year by \$318,651. The primary decrease was in sales tax, of \$299,324 due to mixed economic activity in the City in 2014.

### **Business-Type Activities**

Net position from business-type activities increased by \$2,141,839 or 8.6% from \$24,844,175 in 2013 to \$26,986,014 in 2014. The increase was primarily due to transfers received for water system improvements of approximately \$1,513,000 and operating results for the year.

The following table provides a summary of the City's operations for year ended September 30, 2014 with comparative totals for year ended September 30, 2013.

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

	<b>Government Activities</b>		<b>Business Activities</b>		<b>Total Government</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
Revenues:						
Program Revenues:						
Charges for						
Services	\$ 1,643,548	\$ 1,622,858	\$ 17,055,406	\$ 16,851,001	\$ 18,698,954	\$ 18,473,859
Operating Grants & Contributions	60,484	128,227	-	-	60,484	128,227
General Revenues:						
Property tax	-	-	-	-	-	-
Sales tax	3,431,399	3,730,723	-	-	3,431,399	3,730,723
Franchise tax	135,253	151,625	-	-	135,253	151,625
Hotel/Motel tax	318,487	270,564	-	-	318,487	270,564
Investment earnings	3,918	7,743	12,351	12,204	16,269	19,947
Total Revenues	<u>5,593,089</u>	<u>5,911,740</u>	<u>17,067,757</u>	<u>16,863,205</u>	<u>22,660,846</u>	<u>22,774,945</u>
Expenses:						
Administration	628,524	609,174	-	-	628,524	609,174
Sanitation	705,207	653,663	-	-	705,207	653,663
Fire	429,642	404,025	-	-	429,642	404,025
Police	1,912,194	1,852,215	-	-	1,912,194	1,852,215
Paving & Street	993,905	969,670	-	-	993,905	969,670
Parks & Recreation	947,878	991,098	-	-	947,878	991,098
Library	448,499	354,693	-	-	448,499	354,693
Garage	218,840	203,343	-	-	218,840	203,343
Interest on long-term debt	325,625	366,800	-	-	325,625	366,800
Electric, Water, and Sewer	-	-	14,519,484	12,167,699	14,519,484	12,167,699
Total Expenses	<u>6,610,314</u>	<u>6,404,681</u>	<u>14,519,484</u>	<u>12,167,699</u>	<u>21,129,798</u>	<u>18,572,380</u>
Excess (deficiency) before transfers	(1,017,225)	(492,941)	2,548,273	4,695,506	1,531,048	4,202,565
Transfers, net	<u>406,434</u>	<u>321,544</u>	<u>(406,434)</u>	<u>(321,544)</u>	<u>-</u>	<u>-</u>
Increase (decrease) in net position	(610,791)	(171,397)	2,141,839	4,373,962	1,531,048	4,202,565
Net position - October 1	4,989,738	5,161,135	24,844,175	20,470,213	29,833,913	25,631,348
Change in Accounting	<u>(130,557)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(130,557)</u>	<u>-</u>
Net position - September 30	<u>\$ 4,248,390</u>	<u>\$ 4,989,738</u>	<u>\$ 26,986,014</u>	<u>\$ 24,844,175</u>	<u>\$ 31,234,404</u>	<u>\$ 29,833,913</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 \$2,116,806. Approximately 60.0% of the total amount (\$1,270,609) constitutes unassigned fund balance. The remainder of the fund balance is restricted to indicate that because of restrictions of external parties (creditors and contributors) it is not available for new spending because it has been restricted to pay for debt service (\$12,825), library (\$296) and capital improvements (\$833,076).

The unassigned fund balance of the general fund increased by \$413,067 from the prior year. The increase was the result of increased transfers from the proprietary fund. The restricted fund balance of the general fund increased by \$82 from the prior year. The increase was due to the receipt of library memorial funds for the purchase of library books.

In the general fund, the City budgeted for a loss of approximately \$218,114 on a GAAP basis. Due to an increase in transfers from the proprietary fund of approximately \$467,000, the actual fund balance increased by \$413,067. The debt service fund balance increased by \$919 which was more than the budgeted break even because of higher than budgeted interest earned on debt service funds. The capital projects fund balance decreased by \$2,529,984 as a result of expenditures for capital improvements and transfers to the proprietary fund. The decrease was more than budgeted due to expedited completion of improvement projects.

### **Proprietary Fund**

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

Unrestricted net position of the proprietary fund was \$6,620,642. Total net position increased in 2014 by \$2,141,839. As previously described, the increase in the net position was primarily the result of transfers from the capital projects fund for water system improvements.

### **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 \$534,920 or 8.8%. The decrease in budgeted revenues was primarily for a decrease in sales tax collections. The decrease in sales tax revenue was the result of mixed economic activity in 2014. Budgeted expenditures were decreased by \$71,755 or 1.2%. The decreases in budgeted expenditures were primarily for decreased street improvement projects.

## CAPITAL ASSET AND DEBT ADMINISTRATION

### Capital Assets

At the end of the fiscal year 2014, the City had \$54,265,600 (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 2.6% (4.7% increase for governmental activities and a 2.1% increase in business-type activities) (See Table 3).

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

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Totals</b>	<b>Totals</b>
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
Land	\$ 476,004	\$ 476,004	\$ 694,222	\$ 694,222	\$ 1,170,226	\$ 1,170,226
Water Rights	-	-	22,510,000	23,140,000	22,510,000	23,140,000
Buildings and improvements	4,267,594	3,452,722	304,286	289,947	4,571,880	3,742,669
Equipment and fixtures	1,159,489	1,164,764	416,266	408,857	1,575,755	1,573,621
Paving, sidewalks and streets	4,492,650	4,855,248	-	-	4,492,650	4,855,248
Parks development	979,632	900,130	-	-	979,632	900,130
Airport improvements	126,215	137,591	-	-	126,215	137,591
Utility systems	-	-	18,839,242	17,368,646	18,839,242	17,368,646
<b>Total</b>	<b>\$ 11,501,584</b>	<b>\$ 10,986,459</b>	<b>\$ 42,764,016</b>	<b>\$ 41,901,672</b>	<b>\$ 54,265,600</b>	<b>\$ 52,888,131</b>

This year's major additions included:

Police Vehicles	\$ 41,687
Park Improvements	179,741
Various street improvements	141,899
Library improvements and equipment	1,045,558
Utility System Improvements	1,839,994
<b>Total</b>	<b>\$ 3,248,879</b>

The City's fiscal year 2015 capital budget calls for it to spend another \$3,645,000 for capital projects, principally for street improvements (\$1,575,000), police patrol cars (\$118,000), refurbishing elevated water storage tanks (\$875,000), electrical system improvements (\$500,000), sewer system improvements (\$450,000). Additional information on the City of Livingston's capital assets can be found in footnote 6 on pages 40-42 of this report.

## Debt

At year-end, the City had \$9,370,000 in bonds outstanding as compared to \$10,360,000 at the end of the prior fiscal year, a decrease of 9.6% - as shown in Table 4.

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

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Totals</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
General obligation bonds (backed by the City)	\$ 3,470,000	\$ 4,305,000	\$ -	\$ -	\$ 3,470,000	\$ 4,305,000
Certificates of obligation (backed by the City)	<u>5,900,000</u>	<u>6,055,000</u>	<u>-</u>	<u>-</u>	<u>5,900,000</u>	<u>6,055,000</u>
Totals	<u>\$ 9,370,000</u>	<u>\$ 10,360,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,370,000</u>	<u>\$ 10,360,000</u>

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 and other general revenues along with electric, water and sewer revenues.

Additional information on the City of Livingston's long-term debt can be found in footnote 9 on pages 45-47 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 2014 budget. As always, the main responsibility is to manage public funds wisely while planning for long-term growth in the community. City officials have been conservative in projecting revenues and expenditures for the 2014-2015 budget due to the uncertainty of economic trends in the national and local economies.

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, 2014, sales tax revenue decreased by 8.0%. In the first four months of the 2014-2015 fiscal year, the City has experienced a 3.1% increase in sales tax revenue. This trend is uncertain to continue through the remainder of the fiscal year, so the City has budgeted no growth in sales tax revenue in the 2014-2015 fiscal year budget. Currently, sales tax revenue accounts for approximately 15.1% of the City's total annual operating revenue.

As for the City's business-type activities, fees for electric, water and sewer services account for about 75.3% of the city's total annual operating revenue. Since the City continues to receive inquiries expressing varying degrees of interest from major national retailers regarding locations that are within the community, the City is hopeful that new commercial construction will increase in 2015 bringing with it new sales tax revenue, development fees, and utility service fees.

The City strives to provide an effective, cost-efficient range of services which the citizens have come to expect. To do so, requires the administrative staff to be especially resourceful in developing new revenue sources to fund the expanded range of services. The City Council and management staff are committed to the general philosophy of "pay as you go". In general, the City provides services (general government, public safety, streets, parks and recreation, library and utilities) at a cost per capita that is comparable to or below other communities with similar demographic and economic characteristics. As the City moves forward into 2015, the City Council and management staff will continually reevaluate and revise, if necessary, the initiatives based on the financial condition of the community.

#### **CONTACTING THE CITY'S FINANCIAL MANAGEMENT**

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

## **BASIC FINANCIAL STATEMENTS**

**CITY OF LIVINGSTON, TEXAS**  
**GOVERNMENT-WIDE STATEMENT OF NET POSITION**  
**SEPTEMBER 30, 2014**

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	<b>PRIMARY GOVERNMENT</b>		<b>Total</b>
	<b>Governmental Activities</b>	<b>Business-type Activities</b>	
<b>ASSETS</b>			
Cash	\$ 2,341,854	\$ 5,263,878	\$ 7,605,732
Certificates of deposit	-	1,500,000	1,500,000
Receivables:			
Returned checks receivable	3,214	27,833	31,047
Paving accounts receivable	29,374	-	29,374
Utility accounts receivable	-	1,587,732	1,587,732
Restricted assets - cash	-	111,356	111,356
Capital assets (net of accumulated depreciation):			
Land	476,004	694,222	1,170,226
Buildings and improvements	4,267,594	304,286	4,571,880
Equipment and fixtures	1,159,489	416,266	1,575,755
Paving, sidewalks and streets	4,492,650	-	4,492,650
Parks development	979,632	-	979,632
Airport improvements	126,215	-	126,215
Electrical system	-	3,753,760	3,753,760
Water system	-	9,094,395	9,094,395
Sewer system	-	5,991,087	5,991,087
Water service contract rights	-	22,510,000	22,510,000
<b>Total Assets</b>	<b>\$ 13,876,026</b>	<b>\$ 51,254,815</b>	<b>\$ 65,130,841</b>

See accompanying notes to financial statements

**CITY OF LIVINGSTON, TEXAS**  
**GOVERNMENT-WIDE STATEMENT OF NET POSITION**  
**SEPTEMBER 30, 2014**

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	<b>PRIMARY GOVERNMENT</b>		
	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b><u>LIABILITIES</u></b>			
Accounts payable	\$ 257,636	\$ 1,244,553	\$ 1,502,189
Meter deposits	-	514,248	514,248
Noncurrent Liabilities:			
Due within one year	1,020,000	610,000	1,630,000
Due in more than one year	<u>8,350,000</u>	<u>21,900,000</u>	<u>30,250,000</u>
Total Liabilities	<u>9,627,636</u>	<u>24,268,801</u>	<u>33,896,437</u>
<b><u>NET POSITION</u></b>			
Net investment in capital assets	2,964,659	20,254,016	23,218,675
Restricted for:			
System improvements	-	61,491	61,491
Debt service	12,825	49,865	62,690
Unrestricted	<u>1,270,906</u>	<u>6,620,642</u>	<u>7,891,548</u>
Total Net Position	<u>\$ 4,248,390</u>	<u>\$ 26,986,014</u>	<u>\$ 31,234,404</u>

See accompanying notes to financial statements

**CITY OF LIVINGSTON, TEXAS**  
**GOVERNMENT-WIDE STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2014**

FUNCTIONS/PROGRAMS	Expenses	Program Revenues		
		Charges for Services	Capital Grants and Contributions	Operating Grants and Contributions
Governmental activities:				
Administrative	\$ 628,524	\$ 101,595	\$ -	\$ -
Sanitation	705,207	1,038,218	-	-
Fire	429,642	-	-	52,342
Police	1,912,194	275,621	-	1,275
Paving and street	993,905	11,485	-	-
Parks and recreation	947,878	192,800	-	-
Library	448,499	23,829	-	6,867
Garage	218,840	-	-	-
Interest on long-term debt	325,625	-	-	-
Total governmental activities	<u>6,610,314</u>	<u>1,643,548</u>	<u>-</u>	<u>60,484</u>
Business-type activities:				
Electric, water and sewer	<u>14,519,484</u>	<u>17,055,406</u>	<u>-</u>	<u>-</u>
Total business-type activities	<u>14,519,484</u>	<u>17,055,406</u>	<u>-</u>	<u>-</u>
Total primary government	<u>\$ 21,129,798</u>	<u>\$ 18,698,954</u>	<u>\$ -</u>	<u>\$ 60,484</u>

General revenues:

Taxes

Sales taxes

Franchise taxes

Hotel/Motel taxes

Unrestricted investment earnings

Capital Contributions and Transfers

Total general revenues and transfers

Change in net position

Net position-beginning

Change in accounting

Net position-ending

See accompanying notes to financial statements



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

<b><u>Governmental Activities</u></b>	<b><u>Business-Type Activities</u></b>	<b><u>Total</u></b>
\$ (526,929)	\$ -	\$ (526,929)
333,011	-	333,011
(377,300)	-	(377,300)
(1,635,298)	-	(1,635,298)
(982,420)	-	(982,420)
(755,078)	-	(755,078)
(417,803)	-	(417,803)
(218,840)	-	(218,840)
<u>(325,625)</u>	<u>-</u>	<u>(325,625)</u>
<u>(4,906,282)</u>	<u>-</u>	<u>(4,906,282)</u>
 <u>-</u>	 <u>2,535,922</u>	 <u>2,535,922</u>
 <u>-</u>	 <u>2,535,922</u>	 <u>2,535,922</u>
 <u>(4,906,282)</u>	 <u>2,535,922</u>	 <u>(2,370,360)</u>
 3,431,399	 -	 3,431,399
135,253	-	135,253
318,487	-	318,487
3,918	12,351	16,269
<u>406,434</u>	<u>(406,434)</u>	<u>-</u>
<u>4,295,491</u>	<u>(394,083)</u>	<u>3,901,408</u>
(610,791)	2,141,839	1,531,048
4,989,738	24,844,175	29,833,913
<u>(130,557)</u>	<u>-</u>	<u>(130,557)</u>
<u>\$ 4,248,390</u>	<u>\$ 26,986,014</u>	<u>\$ 31,234,404</u>

See accompanying notes to financial statement

**CITY OF LIVINGSTON, TEXAS  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
SEPTEMBER 30, 2014**

	<u>General</u>	<u>Debt Service</u>
<b><u>ASSETS</u></b>		
Cash	\$ 1,495,953	\$ 12,825
Receivables:		
Returned checks receivable	3,214	-
Paving accounts receivable	<u>29,374</u>	<u>-</u>
Total Assets	<u>\$ 1,528,541</u>	<u>\$ 12,825</u>
<b><u>LIABILITIES</u></b>		
Accounts payable	<u>\$ 257,636</u>	<u>\$ -</u>
Total Liabilities	<u>257,636</u>	<u>-</u>
<b><u>FUND BALANCES</u></b>		
Restricted for:		
Capital Projects	-	-
Library Memorials	296	-
Debt Service	-	12,825
Unassigned	<u>1,270,609</u>	<u>-</u>
Total Fund Balances	<u>1,270,905</u>	<u>12,825</u>
Total Liabilities and Fund Balances	<u>\$ 1,528,541</u>	<u>\$ 12,825</u>

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

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

Long-term liabilities, including bonds payable, are not due and  
payable in the current period and, therefore, are not reported in the funds.

Net position of governmental activities

<b>Capital Projects</b>	<b>Total Governmental Funds</b>
\$ 833,076	\$ 2,341,854
-	3,214
-	29,374
<u>\$ 833,076</u>	<u>\$ 2,374,442</u>
\$ -	\$ 257,636
-	257,636
833,076	833,076
-	296
-	12,825
-	1,270,609
<u>833,076</u>	<u>2,116,806</u>
<u>\$ 833,076</u>	
	11,501,584
	<u>(9,370,000)</u>
	<u>\$ 4,248,390</u>

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, 2014**

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	<u>General</u>	<u>Debt Service</u>
<b>REVENUES</b>		
Taxes:		
Sales taxes	\$ 3,431,399	\$ -
Franchise taxes	135,253	-
Hotel/Motel taxes	318,487	-
Licenses and permits	78,737	-
Charges for service	1,311,551	-
Fines and forfeitures	261,363	-
Miscellaneous	87,181	1,010
Total Revenues	<u>5,623,971</u>	<u>1,010</u>
<b>EXPENDITURES</b>		
Current:		
Administrative	579,561	-
Sanitation	705,087	-
Fire	416,497	-
Police	1,879,960	-
Paving and street	627,977	-
Parks and recreation	993,480	-
Library	364,963	-
Garage	206,646	-
Debt service:		
Principal retirement	-	990,000
Interest	-	366,800
Capital outlay:		
Library improvements	-	-
Total Expenditures	<u>5,774,171</u>	<u>1,356,800</u>
Excess (deficiency) of revenues over expenditures	<u>(150,200)</u>	<u>(1,355,790)</u>
<b>OTHER FINANCING SOURCES (USES)</b>		
Transfers in	1,920,058	1,356,709
Transfers out	(1,356,709)	-
Total other financing sources (uses)	<u>563,349</u>	<u>1,356,709</u>
Net change in fund balances	413,149	919
Fund Balances - beginning	<u>857,756</u>	<u>11,906</u>
Fund Balances - ending	<u>\$ 1,270,905</u>	<u>\$ 12,825</u>

See accompanying notes to financial statements

<b>Capital Projects</b>	<b>Total Governmental Funds</b>
\$ -	\$ 3,431,399
-	135,253
-	318,487
-	78,737
-	1,311,551
-	261,363
-	88,191
-	<u>5,624,981</u>
-	
-	579,561
-	705,087
-	416,497
-	1,879,960
-	627,977
-	993,480
-	364,963
-	206,646
-	
-	990,000
-	366,800
<u>1,016,360</u>	<u>1,016,360</u>
<u>1,016,360</u>	<u>8,147,331</u>
<u>(1,016,360)</u>	<u>(2,522,350)</u>
-	
-	3,276,767
<u>(1,513,624)</u>	<u>(2,870,333)</u>
<u>(1,513,624)</u>	<u>406,434</u>
(2,529,984)	(2,115,916)
<u>3,363,060</u>	<u>4,232,722</u>
<u>\$ 833,076</u>	<u>\$ 2,116,806</u>

See accompanying notes to financial statements

**CITY OF LIVINGSTON, TEXAS  
RECONCILIATION OF THE STATEMENT OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2014**

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

Net changes in fund balances - total governmental funds	\$ (2,115,916)
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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 capital outlays exceeded depreciation in the current period.	515,125
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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 position.	<u>990,000</u>
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Changes in net position of governmental activities	<u>\$ (610,791)</u>
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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, 2014**

	<b>Budgeted Amounts GAAP Basis</b>		
	<b>Original</b>	<b>Revisions</b>	<b>Final</b>
<b><u>REVENUES</u></b>			
Taxes:			
Sales taxes	\$ 3,730,000	\$ (330,000)	\$ 3,400,000
Franchise taxes	160,000	(20,000)	140,000
Hotel/Motel taxes	235,000	75,000	310,000
Licenses and permits	50,700	(200)	50,500
Charges for service	1,209,730	17,130	1,226,860
Fines and forfeitures	274,600	5,000	279,600
Miscellaneous	446,100	(281,850)	164,250
Total Revenues	<u>6,106,130</u>	<u>(534,920)</u>	<u>5,571,210</u>
<b><u>EXPENDITURES</u></b>			
Current:			
Administrative	583,675	(10,200)	573,475
Sanitation	687,000	21,000	708,000
Fire	437,300	(6,050)	431,250
Police	1,866,900	5,250	1,872,150
Paving and street	1,007,250	(222,050)	785,200
Parks and recreation	903,200	118,575	1,021,775
Library	331,425	11,450	342,875
Garage	215,830	10,270	226,100
Total Expenditures	<u>6,032,580</u>	<u>(71,755)</u>	<u>5,960,825</u>
Excess of revenues over expenditures	<u>73,550</u>	<u>(463,165)</u>	<u>(389,615)</u>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>			
Transfers in	1,207,901	245,051	1,452,952
Transfers out	<u>(1,281,451)</u>	<u>-</u>	<u>(1,281,451)</u>
Total other financing sources and (uses)	<u>(73,550)</u>	<u>245,051</u>	<u>171,501</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	<u>\$ -</u>	<u>\$ (218,114)</u>	<u>\$ (218,114)</u>
Fund balance at beginning of year			
Fund balance at end of year			

See accompanying notes to financial statements



<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
\$ 3,431,399	\$ 31,399
135,253	(4,747)
318,487	8,487
78,737	28,237
1,311,551	84,691
261,363	(18,237)
87,181	(77,069)
<u>5,623,971</u>	<u>52,761</u>
579,561	(6,086)
705,087	2,913
416,497	14,753
1,879,960	(7,810)
627,977	157,223
993,480	28,295
364,963	(22,088)
206,646	19,454
<u>5,774,171</u>	<u>186,654</u>
<u>(150,200)</u>	<u>239,415</u>
1,920,058	467,106
<u>(1,356,709)</u>	<u>(75,258)</u>
<u>563,349</u>	<u>391,848</u>
413,149	<u>\$ 631,263</u>
<u>857,756</u>	
<u>\$ 1,270,905</u>	

See accompanying notes to financial statement

**CITY OF LIVINGSTON, TEXAS**  
**STATEMENT OF NET POSITION PROPRIETARY FUNDS**  
**SEPTEMBER 30, 2014**

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	<u><b>Business-Type Activities - Enterprise Fund</b></u>
	<u><b>Electric Water and Sewer</b></u>
<b><u>ASSETS</u></b>	
Current assets:	
Cash	\$ 5,263,878
Certificates of deposit	1,500,000
Restricted assets	
Cash in bank, water and sewer system improvements	61,491
Cash in bank, reserve fund	49,865
Receivables:	
Returned checks receivable	27,833
Utility accounts receivable	<u>1,587,732</u>
Total current assets	<u>8,490,799</u>
Noncurrent assets:	
Capital assets:	
Land	694,222
Building and improvements	493,545
Equipment and fixtures	2,231,529
Electrical system	5,351,823
Water system	11,409,609
Sewer system	8,685,654
Water service contract rights	<u>22,510,000</u>
	51,376,382
Less accumulated depreciation	<u>(8,612,366)</u>
Net capital assets	<u>42,764,016</u>
Total Assets	<u>\$ 51,254,815</u>

See accompanying notes to financial statements

**CITY OF LIVINGSTON, TEXAS**  
**STATEMENT OF NET POSITION PROPRIETARY FUNDS**  
**SEPTEMBER 30, 2014**

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**Business-Type Activities - Enterprise Fund**

**Electric  
Water and  
Sewer**

**LIABILITIES**

Current liabilities:

Accounts payable	\$ 1,244,553
Meter deposits	514,248
Contracts payable - Trinity River Authority	<u>610,000</u>
Total current liabilities	<u>2,368,801</u>

Noncurrent liabilities:

Contracts payable - Trinity River Authority	<u>21,900,000</u>
Total noncurrent liabilities	<u>21,900,000</u>

Total liabilities	<u>24,268,801</u>
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**NET POSITION**

Net investment in capital assets	20,254,016
Restricted for water and sewer system improvements	61,491
Restricted for Trinity River Authority contracts payable	49,865
Unrestricted	<u>6,620,642</u>
Total Net Position	<u>\$ 26,986,014</u>

See accompanying notes to financial statements

**CITY OF LIVINGSTON, TEXAS**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION**  
**PROPRIETARY FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2014**

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	<u>Business-Type Activities - Enterprise Fund</u>
	<u>Electric Water and Sewer</u>
<u>Operating revenues</u>	
Charges for sales and services:	
Electricity sales	\$ 9,541,243
Water sales	2,626,784
Sewer service charges	1,867,821
Penalties, utilities	146,808
Water tapping fees	17,707
Sewer tapping fees	7,700
Recoveries, electrical	2,430,527
Recoveries, water	272,424
Revenue, night lights	86,789
Service fees	57,603
Total Operating Revenues	<u>17,055,406</u>
<u>Operating expenses</u>	
Light and Power Department	9,550,853
Water Department	3,822,914
Sewer Department	687,033
Depreciation	458,684
Total Operating Expenses	<u>14,519,484</u>
Operating Income	2,535,922
Non-operating revenues:	
Interest income	<u>12,351</u>
Income Before Transfers	2,548,273
Transfers In	1,513,624
Transfers Out	<u>(1,920,058)</u>
Change in net position	2,141,839
Total net position - beginning	<u>24,844,175</u>
Total net position - ending	<u>\$ 26,986,014</u>

See accompanying notes to financial statements

**CITY OF LIVINGSTON, TEXAS  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2014**

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	<u><b>Electric Water and Sewer</b></u>
Cash flows from operating activities:	
Cash received from customers	\$ 17,213,233
Cash payments to suppliers for goods and services	(12,617,605)
Cash payments to employees for services	<u>(1,360,535)</u>
Net cash provided by operating activities	<u>3,235,093</u>
Cash flows from noncapital financing activities:	
Transfers from other funds	1,513,624
Transfers to other funds	<u>(1,920,058)</u>
Net cash used by noncapital financing activities	<u>(406,434)</u>
Cash flows from capital and related financing activities:	
Acquisition of capital assets	<u>(1,951,028)</u>
Net cash used for capital and related financing activities	<u>(1,951,028)</u>
Cash flows from investing activities:	
Interest on cash and investments	<u>12,351</u>
Net cash provided by investing activities	<u>12,351</u>
Net Change in Cash and Cash Equivalents	889,982
Cash and Cash Equivalents at Beginning of Year	<u>4,485,252</u>
Cash and Cash Equivalents at End of Year	<u>\$ 5,375,234</u>

(Continued)

See accompanying notes to financial statements

**CITY OF LIVINGSTON, TEXAS  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2014**

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	<u><b>Electric Water and Sewer</b></u>
Reconciliation of income from operations to net cash provided by operating activities:	
Income from operations	\$ 2,535,922
Adjustments to reconcile operating net income to net cash provided by operating activities:	
Depreciation	458,684
Change in operating assets and liabilities:	
Returned checks receivable	(823)
Utility accounts receivable	157,827
Accounts payable	57,233
Meter deposits	<u>26,250</u>
Total adjustments	<u>699,171</u>
Net cash provided by operating activities	<u>\$ 3,235,093</u>
Reconciliation of total cash and cash investments:	
Unrestricted	\$ 5,263,878
Restricted	
Cash in bank, water and sewer system improvements	61,491
Cash in bank, reserve fund	<u>49,865</u>
Total cash and cash equivalents	<u>\$ 5,375,234</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, 2014**

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, 2014.

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

Financial Reporting Entity

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

Basis of Presentation

The government-wide financial statements (the statement of net position and the statement of changes in net position) report information on all 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 properly excluded from program revenues are reported instead as general revenues. Interfund services provided and used are not eliminated in the government-wide statement of activities.



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

Electric, Water, and Sewer Fund - The Electric, Water, and Sewer Fund is used to account for the provision of electricity, water and sewer services to the residents of the City. Activities of the fund include administration, operations and maintenance of the electric, water and sewer system and billing and collection activities. All costs are financed through charges to utility customers with rates reviewed regularly and adjusted if necessary to 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 position and the operating statements present increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized when earned, including unbilled electric, water, and sewer services which are accrued. Expenses are recognized at the time the liability is incurred.

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 City's infrastructure records allowed for a complete implementation of retroactive reporting of infrastructure assets.

**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, 2014 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 Restrictions of Fund Equity

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

### Pensions

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 Position

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

### Property Tax Revenues

Property taxes are levied on October 1 based on the assessed value of property as listed on the previous January 1. Assessed values are an approximation of market value. A revaluation of all real property must be made every year. The last revaluation date was January 1, 2014.

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:

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

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

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

**Transfers In and Out**

The following is a summary of interfund transfers for the year ended September 30, 2014:

<u>Fund</u>	<u>Transfer In</u>	<u>Transfer Out</u>
General Fund	\$ 1,920,058	\$ 1,356,709
Debt Service Fund	1,356,709	-
Capital Projects Fund	-	1,513,624
Electric, Water and Sewer Fund	<u>1,513,624</u>	<u>1,920,058</u>
Total	<u>\$ 4,790,391</u>	<u>\$ 4,790,391</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 water system improvements.

**Change In Accounting**

Under the provisions of GASB 65, first effective for the City for the year ended September 30, 2014, previously capitalized bond issue costs that were being amortized were written off as a prior period adjustment. The effect of implementation of the pronouncement was a charge to net position at the beginning of the year of \$130,557 for the general fund.

**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, 2014, the City had the following investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (Years)</u>
Non-Pooled Certificates of Deposit	\$ 1,500,000	0.250
Total Fair Value	\$ 1,500,000	
Portfolio weighted average maturity		0.250

**Interest Rate Risk**

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

**Credit Risk**

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, 2014 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, 2014.

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 2014.

**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, 2014:

Governmental funds capital outlays	\$ 1,498,438
Governmental funds depreciation expense	<u>(983,313)</u>
Amount by which capital outlays exceeded depreciation	<u>\$ 515,125</u>
Repayment of principal of long-term debt	\$ 990,000
Total bonds issued and repayment of bonds	<u>\$ 990,000</u>

**NOTE 6 CAPITAL ASSETS:**

Capital asset activity for the year ended September 30, 2014 was as follows:

	Balance October 1, 2013	Additions	Retirements/ Adjustments	Balance September 30, 2014
Governmental Activities:				
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	5,432,139	1,005,204	-	6,437,343
Equipment and Fixtures	5,250,669	232,794	23,159	5,460,304
Paving, Sidewalks and Streets	14,382,843	84,762	-	14,467,605
Parks Development	3,296,658	175,678	-	3,472,336
Airport Improvements	<u>719,574</u>	<u>-</u>	<u>-</u>	<u>719,574</u>
Total capital assets being depreciated	<u>29,081,883</u>	<u>1,498,438</u>	<u>23,159</u>	<u>30,557,162</u>
Less accumulated depreciation for:				
Buildings and Improvements	(1,979,417)	(190,332)	-	(2,169,749)
Equipment and Fixtures	(4,085,905)	(238,069)	23,159	(4,300,815)
Paving, Sidewalks and Streets	(9,527,595)	(447,360)	-	(9,974,955)
Parks Development	(2,396,528)	(96,176)	-	(2,492,704)
Airport Improvements	<u>(581,983)</u>	<u>(11,376)</u>	<u>-</u>	<u>(593,359)</u>
Total accumulated depreciation	<u>(18,571,428)</u>	<u>(983,313)</u>	<u>23,159</u>	<u>(19,531,582)</u>
Total capital assets being depreciated, net	<u>10,510,455</u>	<u>515,125</u>	<u>-</u>	<u>11,025,580</u>
Governmental activities capital assets, net	<u>\$ 10,986,459</u>	<u>\$ 515,125</u>	<u>\$ -</u>	<u>\$ 11,501,584</u>

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

	Balance October 1, 2013	Additions	Retirements/ Adjustments	Balance September 30, 2014
Business-type Activities:				
Capital assets not being depreciated				
Land	\$ 694,222	\$ -	\$ -	\$ 694,222
Water Service Contract Rights	23,140,000	-	(630,000)	22,510,000
	<u>23,834,222</u>	<u>-</u>	<u>(630,000)</u>	<u>23,204,222</u>
Capital assets being depreciated				
Building and Improvements	469,045	24,500	-	493,545
Equipment and Fixtures	2,165,365	85,605	19,441	2,231,529
Electrical System	5,167,944	183,880	-	5,351,824
Water System	9,817,810	1,591,799	-	11,409,609
Sewer System	8,621,308	65,244	-	8,686,552
Total capital assets being depreciated	<u>26,241,472</u>	<u>1,951,028</u>	<u>19,441</u>	<u>28,173,059</u>
Less accumulated depreciation for:				
Building and Improvements	(179,098)	(10,161)	-	(189,259)
Equipment and Fixtures	(1,756,508)	(78,196)	19,441	(1,815,263)
Electrical System	(1,516,979)	(81,085)	-	(1,598,064)
Water System	(2,156,024)	(159,190)	-	(2,315,214)
Sewer System	<u>(2,565,413)</u>	<u>(130,052)</u>	<u>-</u>	<u>(2,695,465)</u>
Total accumulated depreciation	<u>(8,174,022)</u>	<u>(458,684)</u>	<u>19,441</u>	<u>(8,613,265)</u>
Total capital assets being depreciated, net	<u>18,067,450</u>	<u>1,492,344</u>	<u>-</u>	<u>19,559,794</u>
Business-type activities capital assets, net	<u>\$ 41,901,672</u>	<u>\$ 1,492,344</u>	<u>\$ (630,000)</u>	<u>\$ 42,764,016</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 2014, net interest costs were not capitalized because interest expenditures related to constructed assets net of related interest revenue were not material.

During the year ended September 30, 2013 the City acquired \$20,575,000 in water system contract rights in exchange for \$20,575,000 in contracts payable to the Trinity River Authority in a noncash financing transaction. See Note 11 for further discussion of Trinity River Authority contract.



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

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

Governmental Activities	
Administrative	\$ 48,422
Sanitation	120
Fire	36,538
Police	110,046
Paving and street	507,827
Parks and recreation	145,841
Library	114,383
Garage	20,136
Governmental Activities	<u>\$ 983,313</u>
Business-type activities	
Electric, Water and Street	<u>\$ 458,684</u>

The City's had no active construction projects as of September 30, 2014, but has plans for spending up to \$1,000,000 for street and \$750,000 for water and sewer system improvements.

**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 state-wide Texas Municipal Retirement System (TMRS), an agent multiple-employer public employee retirement system. The plan provisions that have been adopted by the City are within the options available in the governing state statutes of TMRS.

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)**

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

In 2011 the funds making up the plan were restructured. The effect of the restructuring was a reduction in contribution rates and an increase in funded ratios for the City as reflected in the required supplemental information.

**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 for an employee is the contribution rate which, if applied to a member's compensation throughout their period of anticipated covered service with the City, would be sufficient to meet all benefits payable on their behalf. The salary weighted average of the individual rates is the total normal cost rate. 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 7.0% 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, 2013 valuation is effective for rates beginning January 2014). For fiscal year 2014, the City's annual pension cost of \$612,459 was equal to the City's required and actual contributions.

**Schedule of Actuarial Liabilities and Funding Progress**

Actuarial Valuation Date	12/31/2013
Actuarial Value of Assets	\$17,984,745
Actuarial Accrued Liability	\$21,889,894
Percentage Funded	82.2%
Unfunded (Over-funded) Actuarial Accrued Liability (UAAL)	\$3,905,149
Annual Covered Payroll	\$3,348,843
UAAL as a percentage of covered payroll	116.60%

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

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.

Net Pension Obligation (NPO) at the Beginning of the Period		\$ _____	-
Annual Pension Cost:			
Annual Required Contribution (ARC)	\$	612,459	
Interest on NPO		-	
Adjustment to the ARC		_____	612,459
Contributions Made			_____(612,459)
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>
9/30/2009	464,952	100%	-
9/30/2010	481,383	100%	-
9/30/2011	516,030	100%	-
9/30/2012	552,987	100%	-
9/30/2013	574,275	100%	-
9/30/2014	612,459	100%	-

Additional supplementary three-year trend information may be found on page 53.

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 2013 was .25% of covered payroll. The rate is equal to the cost of providing one-year term life insurance. The funding policy is to assure that adequate resources are available to meet death benefit payments for the upcoming year; the intent is not to pre-fund retiree term life insurance during employees' entire careers. The City's contribution to the supplemental death benefit plan for the years ended September 30, 2014, 2013, and 2012 were \$9,432, \$8,145, and \$7,984, respectively, which equaled the required contributions each year. The valuation date for the plan is December 31, 2013 using the entry age normal cost 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, 2014:

	<u>Governmental-Type Activities</u>
\$3,100,000 General Obligation Refunding Bonds, 2012 Series due in annual installments of \$435,000 to \$570,000 through 2018, interest at 1.50% to be paid from taxes and subordinated pledge of the net revenues of Proprietary Fund	\$ 2,200,000
\$6,000,000 Certificates of Obligation, Series 2012, library and water system improvements, due in annual installments of \$50,000 to \$395,000 through 2037, interest at 2.00% to 4.00% to be paid from taxes and subordinated pledge of the net revenues of Proprietary Fund	5,900,000
\$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>1,270,000</u>
Total Bonds Payable	<u>\$ 9,370,000</u>

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

## Changes in Outstanding Debt-

	Balance October 1, 2012	Payments or Expenditures	Balance September 30, 2013	Due Within One Year
<u>Governmental Type Activities</u>				
General Obligation Bonds	\$ 4,305,000	\$ 835,000	\$ 3,470,000	\$970,000
Certificates of Obligation	<u>6,055,000</u>	<u>155,000</u>	<u>5,900,000</u>	<u>50,000</u>
Total government	<u>\$ 10,360,000</u>	<u>\$ 990,000</u>	<u>\$ 9,370,000</u>	<u>\$ 1,020,000</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 2012 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 are expected to be repaid through sales tax and other general revenue receipts and as needed from electric, water and sewer revenues.

In 2007 the City issued general obligation refunding bonds to refund in advance 1997 certificates of obligation which 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 related to this refunding.

In 2012 the City issued general obligation refunding bonds to refund in advance the 2002 and a portion of the 2007 certificates of obligation which resulted in a reduction in total debt service requirements of \$146,336. The refunded bonds were retired at the time of the refunding, and there is no outstanding in-substance defeased debt related to this refunding. The economic gain on the refunded bonds was \$74,226.

**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, 2014, are as follows:

General Obligation Bonds

Year Ending Sept. 30,	Governmental Activities		
	Principal	Interest	Total
2015	\$ 970,000	\$ 83,800	\$ 1,053,800
2016	990,000	59,000	1,049,000
2017	1,020,000	33,650	1,053,650
2018	490,000	7,350	497,350
Total	<u>\$ 3,470,000</u>	<u>\$ 183,800</u>	<u>\$ 3,653,800</u>

Certificates of Obligation

Year Ending Sept. 30,	Governmental Activities		
	Principal	Interest	Total
2015	\$ 50,000	\$ 194,700	\$ 244,700
2016	50,000	193,050	243,050
2017	50,000	191,400	241,400
2018	50,000	189,750	239,750
2019	220,000	188,100	408,100
2020-2037	5,480,000	1,874,070	7,354,070
Total	<u>\$ 5,900,000</u>	<u>\$ 2,831,070</u>	<u>\$ 8,731,070</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.

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

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, 2014, the City paid approximately \$1,714,000 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 Per Year</u>
2015	1,581,763
2016	1,579,562
2017	1,581,363
2018	1,582,312
2019	1,582,663
2020-2034	<u>29,685,062</u>
Total	<u>\$ 37,592,725</u>

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

	<u>Balance October 1, 2013</u>	<u>Issues or Additions</u>	<u>Payments or Expenditures</u>	<u>Balance September 30, 2014</u>	<u>Due Within One Year</u>
<u>Business Type Activities</u>					
Contracts payable	<u>\$ 23,140,000</u>	<u>\$ -</u>	<u>\$ 630,000</u>	<u>\$ 22,510,000</u>	<u>\$ 610,000</u>
Total business	<u>\$ 23,140,000</u>	<u>\$ -</u>	<u>\$ 630,000</u>	<u>\$ 22,510,000</u>	<u>\$ 610,000</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.

The Agency was able to rebate to participating cities a portion of their power purchases in 2014. Reflected in the revenues for the Electric, Water and Sewer Fund is an approximate \$164,539 rebate of power costs. In addition, included in Electric recoveries is a receipt of the City's pro rata share of the Cambridge Project revenue of \$1,500,000 (a separate wholesale power supply contract that allows the Agency to utilize excess capacity and make distributions of profit back to the participating cities), and a refund of excess debt service coverage of \$732,379.

**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 First National Bank of Livingston. 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, 2014 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 \$60,000 in federal and local grants in 2014 principally related to fire and police department operations. 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's contract with Santek Waste Services was extended for a five-year period to operate its sanitation department and expires in 2018. 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 NEW PRONOUNCEMENT:**

In June 2012 the GASB issued Statement No. 68 "Accounting and Financial Reporting for Pensions-an amendment of GASB Statement No. 27". To comply with GASB No. 68 the City will be required to record their net pension liability in their financial statements and a pension expense that could be significantly different from the current recorded expense. The expense amount will likely be more volatile and significantly higher or lower than what the historical expense has been. The Statement is effective for years beginning after June 15, 2014 and will be incorporated into the financial statements for the City for their year ended September 30, 2015.

## **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 Valuation Date</b>	<b>(1) Actuarial Value of Assets **</b>	<b>(2) Actuarial Accrued Liability (AAL) Unit Credit *</b>	<b>(3) Unfunded AAL (UAAL)</b>	<b>(4) Funded Ratio (1)/(2)</b>	<b>(5) Annual Covered Payroll</b>	<b>(6) Unfunded Actuarial Accrued Liability As a Percentage of Covered Payroll</b>
12/31/2011	15,424,587	18,297,115	2,872,528	84.30%	3,190,057	90.05%
12/31/2012	16,689,230	19,396,840	2,707,610	86.04%	3,277,946	82.60%
12/31/2013	17,984,745	21,889,894	3,905,149	82.16%	3,348,843	116.60%

\* 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.

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, 2014**

	<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	990,000	-	990,000
Interest	366,800	-	366,800
Total Expenditures	1,356,800	-	1,356,800
Excess (deficiency) of revenues over expenditures	(1,356,800)	-	(1,356,800)
<b><u>OTHER FINANCING SOURCES (USES)</u></b>			
Transfers in	1,281,451	-	1,281,451
Total other financing sources	1,281,451	-	1,281,451
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	\$ (75,349)	\$ -	\$ (75,349)
Fund balances at beginning of year			
Fund balance at end of year			

<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
\$ 1,010	\$ 1,010
<u>1,010</u>	<u>1,010</u>
990,000	-
366,800	-
<u>1,356,800</u>	<u>-</u>
(1,355,790)	<u>1,010</u>
1,356,709	75,258
<u>1,356,709</u>	<u>75,258</u>
919	<u>\$ 76,268</u>
<u>11,906</u>	
<u>\$ 12,825</u>	

**CITY OF LIVINGSTON, TEXAS  
BUDGETARY COMPARISON SCHEDULE  
CAPITAL PROJECTS FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2014**

	<b>Budgeted Amounts GAAP Basis</b>		
	<b>Original</b>	<b>Revisions</b>	<b>Final</b>
<b><u>REVENUES</u></b>			
Miscellaneous	\$ -	\$ -	\$ -
<b><u>EXPENDITURES</u></b>			
Capital outlay:			
Library Improvements	(500,000)	(525,000)	(1,025,000)
Total Expenditures	(500,000)	(525,000)	(1,025,000)
Excess of expenditures over revenues	\$ (500,000)	\$ (525,000)	\$ (1,025,000)
<b><u>OTHER FINANCING SOURCES</u></b>			
Transfers out	(1,110,609)	(330,378)	(1,440,987)
Total other financing sources	(1,110,609)	(330,378)	(1,440,987)
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	<u>\$ (1,610,609)</u>	<u>\$ (855,378)</u>	<u>\$ (2,465,987)</u>
Fund balance at beginning of year			
Fund balance at end of year			



<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
\$ -	\$ -
<u>(1,016,360)</u>	<u>8,640</u>
<u>(1,016,360)</u>	<u>8,640</u>
<u>(1,016,360)</u>	<u>8,640</u>
<u>(1,513,624)</u>	<u>(72,637)</u>
<u>(1,513,624)</u>	<u>(72,637)</u>
<u>(2,529,984)</u>	<u>\$ (63,997)</u>
<u>3,363,060</u>	
<u>\$ 833,076</u>	

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

## **GENERAL FUND**

**CITY OF LIVINGSTON, TEXAS  
GENERAL FUND - COMPARATIVE BALANCE SHEET  
SEPTEMBER 30, 2014 AND 2013**

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**ASSETS**

	<b><u>2014</u></b>	<b><u>2013</u></b>
Cash	\$ 1,495,953	\$ 1,104,000
Receivables:		
Returned checks receivable	3,214	3,204
Paving accounts receivable	<u>29,374</u>	<u>32,466</u>
Total Assets	<u>\$ 1,528,541</u>	<u>\$ 1,139,670</u>

**LIABILITIES AND FUND BALANCES**

**LIABILITIES**

Accounts payable	\$ <u>257,636</u>	\$ <u>281,914</u>
Total Liabilities	<u>257,636</u>	<u>281,914</u>

**FUND BALANCES**

Restricted for library memorials	296	214
Unassigned	<u>1,270,609</u>	<u>857,542</u>
Total Fund Balances	<u>1,270,905</u>	<u>857,756</u>
Total Liabilities and Fund Balances	<u>\$ 1,528,541</u>	<u>\$ 1,139,670</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, 2014**  
**WITH COMPARATIVE ACTUAL TOTALS FOR 2013**

	<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	\$ 3,730,000	\$ (330,000)	\$ 3,400,000	\$ 3,431,399
Franchise taxes	160,000	(20,000)	140,000	135,253
Hotel/Motel taxes	235,000	75,000	310,000	318,487
Licenses and permits	50,700	(200)	50,500	78,737
Charges for service	1,209,730	17,130	1,226,860	1,311,551
Fines and forfeitures	274,600	5,000	279,600	261,363
Miscellaneous	446,100	(281,850)	164,250	87,181
Total Revenues	<u>6,106,130</u>	<u>(534,920)</u>	<u>5,571,210</u>	<u>5,623,971</u>
<b><u>EXPENDITURES</u></b>				
Administrative	583,675	(10,200)	573,475	579,561
Sanitation	687,000	21,000	708,000	705,087
Fire	437,300	(6,050)	431,250	416,497
Police	1,866,900	5,250	1,872,150	1,879,960
Paving and street	1,007,250	(222,050)	785,200	627,977
Parks and recreation	903,200	118,575	1,021,775	993,480
Library	331,425	11,450	342,875	364,963
Garage	215,830	10,270	226,100	206,646
Total Expenditures	<u>6,032,580</u>	<u>(71,755)</u>	<u>5,960,825</u>	<u>5,774,171</u>
Excess of revenues over expenditures	<u>73,550</u>	<u>(463,165)</u>	<u>(389,615)</u>	<u>(150,200)</u>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Transfers in	1,207,901	245,051	1,452,952	1,920,058
Transfers out	<u>(1,281,451)</u>	-	<u>(1,281,451)</u>	<u>(1,356,709)</u>
Total other financing sources (uses)	<u>(73,550)</u>	<u>245,051</u>	<u>171,501</u>	<u>563,349</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	<u>\$ -</u>	<u>\$ (218,114)</u>	<u>\$ (218,114)</u>	413,149
Fund balances at beginning of year				<u>857,756</u>
Fund balances at end of year				<u>\$ 1,270,905</u>

<b>Variance With Final Budget Positive (Negative)</b>	<b>2013 Actual</b>
\$ 31,399	\$ 3,730,723
(4,747)	151,625
8,487	270,564
28,237	54,839
84,691	1,275,560
(18,237)	256,378
(77,069)	170,909
<u>52,761</u>	<u>5,910,598</u>
(6,086)	551,427
2,913	653,542
14,753	391,426
(7,810)	1,822,790
157,223	599,777
28,295	952,468
(22,088)	324,384
19,454	182,681
<u>186,654</u>	<u>5,478,495</u>
<u>239,415</u>	<u>432,103</u>
467,106	1,547,887
(75,258)	(1,326,597)
<u>391,848</u>	<u>221,290</u>
<u>\$ 631,263</u>	653,393
	<u>204,363</u>
	<u>\$ 857,756</u>

**CITY OF LIVINGSTON, TEXAS**  
**GENERAL FUND**  
**SCHEDULE OF EXPENDITURES-BUDGET (GAAP BASIS) AND ACTUAL**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2014**  
**WITH COMPARATIVE ACTUAL TOTALS FOR 2013**

	Budgeted Amounts GAAP Basis			
	Original	Revisions	Final	Actual
ADMINISTRATIVE DEPARTMENT				
Salaries	\$ 177,000	\$ 1,500	\$ 178,500	\$ 178,371
Social Security	13,825	225	14,050	14,062
Retirement	83,000	250	83,250	83,246
Employee insurance	69,550	-	69,550	69,565
Insurance and bonds	9,500	-	9,500	9,892
Legal and professional	15,000	500	15,500	14,377
Auditing and accounting	10,000	825	10,825	10,807
Supplies	25,000	-	25,000	28,049
Repairs-building and grounds	25,000	(17,500)	7,500	7,933
Equipment repairs and maintenance	4,000	6,000	10,000	13,419
Gas and oil	3,500	(700)	2,800	2,726
Utility/telephone	11,500	1,500	13,000	12,489
Dues and subscriptions	17,000	(500)	16,500	15,479
Building demolitions	7,500	(7,500)	-	7,875
Transportation and contingency	73,000	-	73,000	74,979
Postage and miscellaneous	29,300	5,200	34,500	25,961
	573,675	(10,200)	563,475	569,230
Capital expenditures	10,000	-	10,000	10,331
Total Administrative	583,675	(10,200)	573,475	579,561
SANITATION DEPARTMENT				
Supplies	62,000	1,000	63,000	61,089
Refuse disposal/landfills	625,000	20,000	645,000	643,998
Total Sanitation	687,000	21,000	708,000	705,087



<b>Variance With Final Budget Positive (Negative)</b>	<b>2013 Actual</b>
\$ 129	\$ 170,200
(12)	13,433
4	79,425
(15)	67,268
(392)	9,578
1,123	14,690
18	10,927
(3,049)	21,947
(433)	11,707
(3,419)	3,038
74	2,960
511	11,758
1,021	17,160
(7,875)	7,200
(1,979)	78,532
<u>8,539</u>	<u>26,618</u>
(5,755)	546,441
<u>(331)</u>	<u>4,986</u>
<u>(6,086)</u>	<u>551,427</u>
1,911	63,023
<u>1,002</u>	<u>590,519</u>
<u>2,913</u>	<u>653,542</u>

**CITY OF LIVINGSTON, TEXAS  
GENERAL FUND  
SCHEDULE OF EXPENDITURES-BUDGET (GAAP BASIS) AND ACTUAL  
FOR THE YEAR ENDED SEPTEMBER 30, 2014  
WITH COMPARATIVE ACTUAL TOTALS FOR 2013**

	Budgeted Amounts GAAP Basis			Actual
	Original	Revisions	Final	
<b>FIRE DEPARTMENT</b>				
Salaries	143,000	-	143,000	139,916
Salaries, administration	31,650	-	31,650	31,510
Social Security	10,300	-	10,300	10,217
Retirement	17,200	50	17,250	17,434
Employee insurance	22,450	2,000	24,450	24,450
Insurance and bonds	30,500	(2,500)	28,000	26,914
Recruitment costs	1,500	-	1,500	-
Supplies	32,000	3,000	35,000	38,583
Repairs-building and grounds	3,500	-	3,500	1,030
Equipment repairs and maintenance	35,000	2,000	37,000	42,070
Gas and oil	20,000	(10,000)	10,000	10,636
Utility/telephone	9,200	2,300	11,500	11,559
Dues and subscriptions	2,500	1,000	3,500	3,060
Transportation and contingency	15,000	(4,000)	11,000	10,841
Maintenance contribution	23,500	-	23,500	22,476
Postage and miscellaneous	4,000	100	4,100	2,408
	401,300	(6,050)	395,250	393,104
Capital expenditures	36,000	-	36,000	23,393
<b>Total Fire</b>	<b>437,300</b>	<b>(6,050)</b>	<b>431,250</b>	<b>416,497</b>
<b>POLICE DEPARTMENT</b>				
Salaries	1,065,000	10,000	1,075,000	1,072,877
Salaries, administration	31,650	-	31,650	31,510
Social Security	84,000	1,500	85,500	85,883
Retirement	179,200	-	179,200	179,986
Employee insurance	172,000	-	172,000	168,209
Uniforms	3,000	-	3,000	1,263
Insurance and bonds	54,650	-	54,650	51,822
Supplies	23,500	(1,000)	22,500	22,966
Repairs-building and grounds	25,750	(5,750)	20,000	17,211
Equipment repairs and maintenance	38,500	500	39,000	50,217
Gas and oil	70,000	(10,000)	60,000	51,930
Utility/telephone	14,500	-	14,500	14,290
Dues and subscriptions	150	200	350	328
Transportation and contingency	30,000	3,000	33,000	30,912
Postage and miscellaneous	25,000	300	25,300	22,679
	1,816,900	(1,250)	1,815,650	1,802,083
Capital expenditures	50,000	6,500	56,500	77,877
<b>Total Police</b>	<b>1,866,900</b>	<b>5,250</b>	<b>1,872,150</b>	<b>1,879,960</b>

<b>Variance With Final Budget Positive (Negative)</b>	<b>2013 Actual</b>
3,084	134,216
140	29,807
83	9,623
(184)	16,444
-	23,391
1,086	24,094
1,500	-
(3,583)	37,607
2,470	288
(5,070)	36,588
(636)	10,608
(59)	9,360
440	4,517
159	8,863
1,024	22,533
<u>1,692</u>	<u>3,779</u>
2,146	371,718
<u>12,607</u>	<u>19,708</u>
<u>14,753</u>	<u>391,426</u>
2,123	1,027,656
140	29,808
(383)	82,314
(786)	172,112
3,791	167,661
1,737	2,755
2,828	56,298
(466)	19,668
2,789	14,772
(11,217)	29,715
8,070	63,385
210	14,716
22	282
2,088	31,462
<u>2,621</u>	<u>23,851</u>
13,567	1,736,455
<u>(21,377)</u>	<u>86,335</u>
<u>(7,810)</u>	<u>1,822,790</u>

**CITY OF LIVINGSTON, TEXAS**  
**GENERAL FUND**  
**SCHEDULE OF EXPENDITURES-BUDGET (GAAP BASIS) AND ACTUAL**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2014**  
**WITH COMPARATIVE ACTUAL TOTALS FOR 2013**

	Budgeted Amounts GAAP Basis			
	Original	Revisions	Final	Actual
PAVING AND STREET DEPARTMENT				
Salaries	205,000	20,000	225,000	223,130
Salaries, administration	31,650	-	31,650	31,510
Social Security	18,000	1,425	19,425	19,501
Retirement	34,500	2,825	37,325	37,759
Employee insurance	42,500	(2,500)	40,000	41,801
Uniforms	3,000	500	3,500	3,482
Insurance and bonds	26,250	750	27,000	26,970
Supplies	27,000	1,000	28,000	24,285
Repairs-building and grounds	1,500	1,500	3,000	6,054
Equipment repairs and maintenance	30,000	(2,500)	27,500	32,074
Gas and oil	45,000	(12,000)	33,000	31,653
Transit system	4,200	-	4,200	4,200
Transportation and contingency	5,150	450	5,600	3,659
	473,750	11,450	485,200	486,078
Capital expenditures	533,500	(233,500)	300,000	141,899
Total Paving and Street	1,007,250	(222,050)	785,200	627,977
PARKS AND RECREATION DEPARTMENT				
Salaries	339,000	(10,000)	329,000	332,196
Salaries, administration	63,300	-	63,300	63,020
Social Security	30,375	(425)	29,950	30,183
Retirement	48,150	(3,650)	44,500	44,672
Employee insurance	59,875	(8,875)	51,000	51,610
Uniforms	5,150	(150)	5,000	3,895
Insurance and bonds	19,750	(175)	19,575	19,880
Advertising, hotel tax	80,000	-	80,000	74,984
Supplies	60,000	(1,500)	58,500	61,302
Repairs-building and grounds	31,000	500	31,500	8,194
Equipment repairs and maintenance	20,500	-	20,500	19,265
Gas and oil	82,500	(25,750)	56,750	69,752
Utility/telephone	18,050	1,600	19,650	17,779
Dues and subscriptions	200	50	250	173
Transportation and contingency	2,700	200	2,900	2,692
Programming costs	2,000	-	2,000	1,150
Postage and miscellaneous	3,150	(250)	2,900	1,292
	865,700	(48,425)	817,275	802,039
Capital expenditures	37,500	167,000	204,500	191,441
Total Parks and Recreation	903,200	118,575	1,021,775	993,480

<b>Variance With Final Budget Positive (Negative)</b>	<b>2013 Actual</b>
1,870	197,232
140	28,608
(76)	17,296
(434)	32,390
(1,801)	41,571
18	3,842
30	26,993
3,715	24,749
(3,054)	432
(4,574)	27,517
1,347	37,372
-	8,400
<u>1,941</u>	<u>4,439</u>
(878)	450,841
<u>158,101</u>	<u>148,936</u>
<u>157,223</u>	<u>599,777</u>
(3,196)	328,893
280	59,615
(233)	29,667
(172)	46,053
(610)	59,874
1,105	5,540
(305)	18,471
5,016	79,928
(2,802)	62,838
23,306	34,839
1,235	19,779
(13,002)	72,767
1,871	16,582
77	45
208	2,762
850	1,849
<u>1,608</u>	<u>5,703</u>
15,236	845,205
<u>13,059</u>	<u>107,263</u>
<u>28,295</u>	<u>952,468</u>

**CITY OF LIVINGSTON, TEXAS  
GENERAL FUND  
SCHEDULE OF EXPENDITURES-BUDGET (GAAP BASIS) AND ACTUAL  
FOR THE YEAR ENDED SEPTEMBER 30, 2014  
WITH COMPARATIVE ACTUAL TOTALS FOR 2013**

	Budgeted Amounts GAAP Basis			Actual
	Original	Revisions	Final	
<b>LIBRARY DEPARTMENT</b>				
Salaries	160,000	-	160,000	159,613
Salaries, administration	31,650	-	31,650	31,511
Social Security	14,250	325	14,575	14,595
Retirement	27,050	125	27,175	27,163
Employee insurance	37,500	-	37,500	37,390
Insurance and bonds	6,475	250	6,725	8,197
Supplies	11,500	8,500	20,000	24,498
Repairs-building and grounds	7,500	-	7,500	9,983
Equipment repairs and maintenance	2,500	2,500	5,000	5,255
Utility/telephone	9,100	900	10,000	10,151
Dues and subscriptions	3,800	-	3,800	4,231
Transportation and contingency	1,600	(500)	1,100	1,047
Postage and printing	1,500	1,350	2,850	2,130
	314,425	13,450	327,875	335,764
Memorial capital	17,000	(2,000)	15,000	13,543
Capital expenditures	-	-	-	15,656
Total Library	331,425	11,450	342,875	364,963
<b>GARAGE DEPARTMENT</b>				
Salaries	89,000	8,950	97,950	96,977
Salaries, administration	31,650	-	31,650	31,510
Social Security	9,065	810	9,875	9,804
Retirement	15,275	1,225	16,500	16,195
Employee insurance	15,000	-	15,000	14,956
Uniforms	1,400	-	1,400	1,301
Insurance and bonds	8,240	35	8,275	8,444
Supplies	6,000	-	6,000	5,696
Repairs-building and grounds	2,000	-	2,000	54
Equipment repairs and maintenance	4,000	1,000	5,000	6,626
Gas and oil	4,000	(2,500)	1,500	1,357
Utility/telephone	5,200	750	5,950	5,787
	190,830	10,270	201,100	198,707
Capital expenditures	25,000	-	25,000	7,939
Total Garage	215,830	10,270	226,100	206,646
<b>TOTAL GENERAL EXPENDITURES</b>	<b>\$ 6,032,580</b>	<b>\$ (71,755)</b>	<b>\$ 5,960,825</b>	<b>\$ 5,774,171</b>

<b>Variance With Final Budget Positive (Negative)</b>	<b>2013 Actual</b>
387	152,817
139	29,808
(20)	13,944
12	27,111
110	37,393
(1,472)	5,816
(4,498)	11,991
(2,483)	5,413
(255)	2,699
(151)	8,946
(431)	3,216
53	1,576
<u>720</u>	<u>1,956</u>
(7,889)	302,686
1,457	21,698
<u>(15,656)</u>	<u>-</u>
<u>(22,088)</u>	<u>324,384</u>
973	87,025
140	29,808
71	8,911
305	14,777
44	14,959
99	1,436
(169)	7,571
304	5,909
1,946	425
(1,626)	4,926
143	1,653
<u>163</u>	<u>5,281</u>
2,393	182,681
<u>17,061</u>	<u>-</u>
<u>19,454</u>	<u>182,681</u>
<u>\$ 186,654</u>	<u>\$ 5,478,495</u>

## **DEBT SERVICE FUND**



**CITY OF LIVINGSTON, TEXAS**  
**DEBT SERVICE FUND - COMPARATIVE BALANCE SHEET**  
**SEPTEMBER 30, 2014 AND 2013**

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**ASSETS**

	<b><u>2014</u></b>	<b><u>2013</u></b>
Cash	\$ 12,825	\$ 11,906
Total Assets	<u>\$ 12,825</u>	<u>\$ 11,906</u>

**FUND BALANCES**

Restricted for debt service	\$ 12,825	\$ 11,906
Total Fund Balance	<u>\$ 12,825</u>	<u>\$ 11,906</u>

**CITY OF LIVINGSTON, TEXAS  
DEBT SERVICE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED SEPTEMBER 30, 2014  
WITH COMPARATIVE ACTUAL TOTALS FOR 2013**

	<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	990,000	-	990,000
Interest	366,800	-	366,800
Total Expenditures	1,356,800	-	1,356,800
Excess (deficiency) of revenues over expenditures	(1,356,800)	-	(1,356,800)
<b><u>OTHER FINANCING SOURCES (USES)</u></b>			
Transfers in	1,281,451	-	1,281,451
Total other financing sources	1,281,451	-	1,281,451
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	\$ (75,349)	\$ -	\$ (75,349)
Fund balances at beginning of year			
Fund balance at end of year			

<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>	<u>2013</u>
\$ 1,010	\$ 1,010	\$ 1,081
<u>1,010</u>	<u>1,010</u>	<u>1,081</u>
990,000	-	960,000
366,800	-	366,800
<u>1,356,800</u>	<u>-</u>	<u>1,326,800</u>
<u>(1,355,790)</u>	<u>1,010</u>	<u>(1,325,719)</u>
1,356,709	(75,258)	1,326,597
<u>1,356,709</u>	<u>75,258</u>	<u>1,326,597</u>
919	\$ 76,268	878
<u>11,906</u>		<u>11,028</u>
<u>\$ 12,825</u>		<u>\$ 11,906</u>

**CITY OF LIVINGSTON, TEXAS  
CAPITAL PROJECTS FUND - COMPARATIVE BALANCE SHEET  
SEPTEMBER 30, 2014 AND 2013**

---

**ASSETS**

	<b><u>2014</u></b>	<b><u>2013</u></b>
Cash	\$ 833,076	\$ 3,689,133
Total Assets	<u>\$ 833,076</u>	<u>\$ 3,689,133</u>

**LIABILITIES AND FUND BALANCES**

Liabilities:		
Construction contracts payable	\$ -	\$ 326,073
Total liabilities	<u>-</u>	<u>326,073</u>
Fund Balances:		
Restricted for:		
Capital projects	\$ 833,076	\$ 3,363,060
Total Fund Balances	<u>\$ 833,076</u>	<u>\$ 3,689,133</u>

**CITY OF LIVINGSTON, TEXAS  
CAPITAL PROJECTS FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED SEPTEMBER 30, 2014  
WITH COMPARATIVE ACTUAL TOTALS FOR 2013**

---

	<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	\$ -	\$ -	\$ -
<b><u>EXPENDITURES</u></b>			
Capital outlay:			
Library Improvements	(500,000)	(525,000)	(1,025,000)
Total Expenditures	(500,000)	(525,000)	(1,025,000)
Excess (deficiency) of revenues over expenditures	(500,000)	(525,000)	(1,025,000)
<b><u>OTHER FINANCING SOURCES</u></b>			
Transfers out	(1,110,609)	(330,378)	(1,440,987)
Total other financing sources	(1,110,609)	(330,378)	(1,440,987)
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	\$ (1,610,609)	\$ (855,378)	\$ (2,465,987)
Fund balances at beginning of year			
Fund balances at end of year			

<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>	<u>2013</u>
\$ -	\$ -	\$ 8,953
(1,016,360)	8,640	(1,473,235)
<u>(1,016,360)</u>	<u>8,640</u>	<u>(1,473,235)</u>
(1,016,360)	8,640	(1,464,282)
(1,513,624)	(72,637)	(1,226,343)
<u>(1,513,624)</u>	<u>(72,637)</u>	<u>(1,226,343)</u>
(2,529,984)	(63,997)	(2,690,625)
<u>3,363,060</u>	-	<u>6,053,685</u>
<u>\$ 833,076</u>	<u>\$ (63,997)</u>	<u>\$ 3,363,060</u>

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## **PROPRIETARY FUND**



**CITY OF LIVINGSTON, TEXAS  
COMPARATIVE STATEMENT OF NET POSITION  
ELECTRIC, WATER AND SEWER FUND  
SEPTEMBER 30, 2014 AND 2013**

<b>ASSETS</b>	<b>2014</b>	<b>2013</b>
Current assets:		
Cash	\$ 5,263,878	\$ 4,381,626
Certificates of deposit	1,500,000	1,500,000
Restricted assets		
Cash in bank, water and sewer system improvements	61,491	61,301
Cash in bank, reserve fund	49,865	42,325
Receivables:		
Returned checks receivable	27,833	27,010
Utility accounts receivable	<u>1,587,732</u>	<u>1,745,559</u>
Total current assets	<u>8,490,799</u>	<u>7,757,821</u>
Noncurrent assets:		
Capital assets:		
Land	694,222	694,222
Building and improvements	493,545	469,045
Equipment and fixtures	2,231,529	2,165,365
Electrical system	5,351,823	5,167,944
Water system	11,409,609	9,817,810
Sewer system	8,685,654	8,621,308
Water service contract rights	<u>22,510,000</u>	<u>23,140,000</u>
	51,376,382	50,075,694
Less accumulated depreciation	<u>(8,612,366)</u>	<u>(8,174,022)</u>
Net capital assets	<u>42,764,016</u>	<u>41,901,672</u>
Total Assets	<u>\$ 51,254,815</u>	<u>\$ 49,659,493</u>

	<b>2014</b>	<b>2013</b>
<b>LIABILITIES</b>		
Current liabilities:		
Accounts payable	\$ 1,244,553	\$ 1,187,320
Meter deposits	514,248	487,998
Contracts payable-Trinity River Authority	<u>610,000</u>	<u>630,000</u>
Total current liabilities	<u>2,368,801</u>	<u>2,305,318</u>
Noncurrent liabilities:		
Contracts payable-Trinity River Authority	<u>21,900,000</u>	<u>22,510,000</u>
Total noncurrent liabilities	<u>21,900,000</u>	<u>22,510,000</u>
Total liabilities	<u>24,268,801</u>	<u>24,815,318</u>
<b>NET POSITION</b>		
Net investment in capital assets	20,254,016	18,761,672
Restricted for water and sewer system improvements	61,491	61,301
Restricted for Trinity River Authority contracts payable	49,865	42,325
Unrestricted	<u>6,620,642</u>	<u>5,978,877</u>
Total Net Position	<u>\$ 26,986,014</u>	<u>\$ 24,844,175</u>

**CITY OF LIVINGSTON, TEXAS**  
**COMPARATIVE STATEMENT OF REVENUES, EXPENSES AND CHANGES**  
**IN NET POSITION**  
**ELECTRIC, WATER, AND SEWER FUND**  
**FOR THE YEARS ENDED SEPTEMBER 30, 2014 AND 2013**

**Business-Type Activities - Enterprise Fund**

	<b><u>2014</u></b>	<b><u>2013</u></b>
<b><u>Operating revenues:</u></b>		
Charges for sales and services:		
Electricity sales	\$ 9,541,243	\$ 9,489,956
Water sales	2,626,784	2,122,954
Sewer service charges	1,867,821	1,398,711
Penalties, utilities	146,808	142,348
Water tapping fees	17,707	13,818
Sewer tapping fees	7,700	4,150
Recoveries, electrical	2,430,527	2,762,811
Recoveries, water	272,424	771,723
Revenue, night lights	86,789	84,806
Service fees	57,603	59,724
Total Operating Revenues	<u>17,055,406</u>	<u>16,851,001</u>
<b><u>Operating expenses:</u></b>		
Light and Power Department	9,550,853	9,079,083
Water Department	3,822,914	2,048,518
Sewer Department	687,033	578,050
Depreciation	458,684	462,048
Total Operating Expenses	<u>14,519,484</u>	<u>12,167,699</u>
Operating Income	2,535,922	4,683,302
<b><u>Non-operating revenues:</u></b>		
Interest income	<u>12,351</u>	<u>12,204</u>
Income Before Transfers	2,548,273	4,695,506
Transfers In	1,513,624	1,226,343
Transfers Out	<u>(1,920,058)</u>	<u>(1,547,887)</u>
Change in net position	2,141,839	4,373,962
Total net position - beginning	<u>24,844,175</u>	<u>20,470,213</u>
Total net position - ending	<u>\$ 26,986,014</u>	<u>\$ 24,844,175</u>

**CITY OF LIVINGSTON, TEXAS  
COMPARATIVE STATEMENT OF CASH FLOWS  
ELECTRIC, WATER, AND SEWER FUND  
FOR THE YEARS ENDED SEPTEMBER 30, 2014 AND 2013**

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**Business-Type Activities - Enterprise Fund**

	<b><u>2014</u></b>	<b><u>2013</u></b>
Cash flows from operating activities:		
Cash received from customers	\$ 17,213,233	\$ 16,718,415
Cash payments to suppliers for goods and services	(12,617,605)	(10,527,981)
Cash payments to employees for services	<u>(1,360,535)</u>	<u>(1,228,130)</u>
Net cash provided by operating activities	<u>3,235,093</u>	<u>4,962,304</u>
Cash flows from noncapital financing activities:		
Transfers from other funds	1,513,624	1,226,343
Transfers to other funds	<u>(1,920,058)</u>	<u>(1,547,887)</u>
Net cash used for noncapital financing activities	<u>(406,434)</u>	<u>(321,544)</u>
Cash flows from capital and related financing activities:		
Acquisition of capital assets	<u>(1,951,028)</u>	<u>(1,778,241)</u>
Net cash used for capital and related financing activities	<u>(1,951,028)</u>	<u>(1,778,241)</u>
Cash flows from investing activities:		
Interest on cash and investments	<u>12,351</u>	<u>12,204</u>
Net cash provided by investing activities	<u>12,351</u>	<u>12,204</u>
Net Change in Cash and Cash Equivalents	889,982	2,874,723
Cash and Cash Equivalents at Beginning of Year	<u>4,485,252</u>	<u>1,610,529</u>
Cash and Cash Equivalents at End of Year	<u>\$ 5,375,234</u>	<u>\$ 4,485,252</u>

(Continued)

**CITY OF LIVINGSTON, TEXAS  
COMPARATIVE STATEMENT OF CASH FLOWS  
ELECTRIC, WATER, AND SEWER FUND  
FOR THE YEARS ENDED SEPTEMBER 30, 2014 AND 2013**

---

**Business-Type Activities - Enterprise Fund**

	<b><u>2014</u></b>	<b><u>2013</u></b>
Reconciliation of income from operations to net cash provided by operating activities:		
Income from operations	\$ 2,535,922	\$ 4,683,302
Adjustments to reconcile operating net income to net cash provided by operating activities:		
Depreciation	458,684	462,048
Change in operating assets and liabilities:		
Returned checks receivable	(823)	(1,609)
Utility accounts receivable	157,827	(132,586)
Accounts payable	57,233	(94,081)
Meter deposits	<u>26,250</u>	<u>45,230</u>
Total adjustments	<u>699,171</u>	<u>279,002</u>
Net cash provided by operating activities	<u>\$ 3,235,093</u>	<u>\$ 4,962,304</u>
Reconciliation of total cash and cash investments:		
Unrestricted	\$ 5,263,878	\$ 4,381,626
Restricted		
Cash in bank, water and sewer system improvements	61,491	61,301
Cash in bank, reserve fund	<u>49,865</u>	<u>42,325</u>
Total cash and cash equivalents	<u>\$ 5,375,234</u>	<u>\$ 4,485,252</u>

(Concluded)

## **ENTERPRISE FUND**

**CITY OF LIVINGSTON, TEXAS**  
**ENTERPRISE FUND**  
**SCHEDULE OF EXPENSES BY DEPARTMENT - COMPARED TO BUDGET**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2014**  
**WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED SEPTEMBER 30, 2013**

	<b>2014</b>			
	<b>Original Budget</b>	<b>Revisions</b>	<b>Final</b>	<b>Actual</b>
<b>LIGHT AND POWER DEPARTMENT</b>				
Salaries	\$ 600,000	\$ (15,000)	\$ 585,000	\$ 572,989
Salaries, administration	31,650	-	31,650	31,510
Social Security	47,100	(300)	46,800	46,218
Retirement	102,150	(5,550)	96,600	96,822
Employee insurance	82,250	(7,250)	75,000	76,619
Uniform rental	6,250	(1,450)	4,800	4,365
Insurance and bonds	22,050	(2,050)	20,000	19,971
Legal and professional	1,500	450	1,950	1,795
Engineering	1,000	-	1,000	-
Supplies	30,000	10,000	40,000	35,613
Repairs-building and grounds and equipment	70,000	(45,500)	24,500	18,917
Gas and oil	30,000	(10,000)	20,000	18,014
Utility/telephone	6,200	1,500	7,700	7,241
Dues and subscriptions	7,000	300	7,300	7,320
Power purchase	8,140,000	360,000	8,500,000	8,573,172
Transportation and contingency	11,000	(500)	10,500	5,576
Utility billing	12,000	-	12,000	11,217
Postage and miscellaneous	15,000	(1,000)	14,000	12,686
Auditing and accounting	10,000	825	10,825	10,808
Total Light and Power	<u>9,225,150</u>	<u>284,475</u>	<u>9,509,625</u>	<u>9,550,853</u>
<b>WATER DEPARTMENT</b>				
Salaries	400,000	30,000	430,000	425,088
Salaries - administration	31,650	-	31,650	31,511
Social Security	32,200	3,125	35,325	35,189
Retirement	66,750	1,750	68,500	71,634
Employee insurance	70,000	(6,500)	63,500	64,246
Uniform rental	4,000	200	4,200	4,513
Insurance and bonds	21,650	(2,150)	19,500	19,765
Legal and professional	2,000	2,125	4,125	5,193
Supplies	50,500	-	50,500	63,614
Repairs-building and grounds	33,000	(28,500)	4,500	4,573
Repairs-equipment	35,000	3,500	38,500	53,733
Gas and oil	50,000	5,000	55,000	50,742
Engineering	10,000	(2,500)	7,500	12,580
Dues and subscriptions	12,000	(1,500)	10,500	10,021
Water-TRA	58,400	-	58,400	58,400
Operations and maintenance-TRA	1,042,765	(627)	1,042,138	1,042,138
Transportation and contingency	18,375	5,525	23,900	26,868
Utility billing	11,500	2,000	13,500	11,216
Postage and printing	14,500	775	15,275	12,687
TRA-debt service	1,559,671	248,726	1,808,397	1,808,397
Auditing and accounting	10,000	825	10,825	10,806
Total Water	<u>3,533,961</u>	<u>261,774</u>	<u>3,795,735</u>	<u>3,822,914</u>

<u>Variance</u>	<u>2013 Actual</u>
\$ 12,011	\$ 563,217
140	29,807
582	45,339
(222)	95,777
(1,619)	78,037
435	4,968
29	19,045
155	1,810
1,000	-
4,387	37,344
5,583	21,701
1,986	20,919
459	6,078
(20)	7,292
(73,172)	8,100,827
4,924	11,059
783	11,462
1,314	13,473
17	10,928
<u>(41,228)</u>	<u>9,079,083</u>

4,912	360,663
139	32,949
136	30,285
(3,134)	61,584
(746)	63,607
(313)	3,505
(265)	18,865
(1,068)	4,005
(13,114)	52,138
(73)	4,696
(15,233)	32,729
4,258	59,235
(5,080)	4,061
479	10,047
-	58,400
-	1,027,477
(2,968)	20,214
2,284	11,462
2,588	13,206
-	168,463
19	10,927
<u>(27,179)</u>	<u>2,048,518</u>



**CITY OF LIVINGSTON, TEXAS**  
**ENTERPRISE FUND**  
**SCHEDULE OF EXPENSES BY DEPARTMENT - COMPARED TO BUDGET**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2014**  
**WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED SEPTEMBER 30, 2013**

	<b>2014</b>			
	<b>Original Budget</b>	<b>Revisions</b>	<b>Final</b>	<b>Actual</b>
SEWER DEPARTMENT				
Salaries	221,000	47,000	268,000	267,927
Salaries, administration	31,650	-	31,650	31,510
Social Security	18,950	4,050	23,000	23,076
Retirement	34,750	6,250	41,000	43,167
Employee insurance	28,750	8,690	37,440	33,984
Uniform rental	2,000	-	2,000	2,289
Insurance and bonds	7,625	(775)	6,850	6,938
Lab fees-engineering	15,000	(5,000)	10,000	20,729
Supplies	29,000	1,000	30,000	36,110
Chemicals	25,000	(1,000)	24,000	26,095
Legal/professional	2,500	-	2,500	275
Repairs-equipment	60,000	5,000	65,000	91,092
Repairs-building and grounds	1,500	-	1,500	1,093
Gas and oil	13,000	(2,000)	11,000	8,307
Dues and subscriptions	12,000	(2,800)	9,200	9,209
Transportation and contingency	66,375	(8,475)	57,900	56,684
Utilities and telephone	30,000	-	30,000	28,548
Total Sewer	<u>599,100</u>	<u>51,940</u>	<u>651,040</u>	<u>687,033</u>
TOTAL ENTERPRISE FUND				
DEPARTMENT EXPENDITURES	<u>\$ 13,358,211</u>	<u>\$ 598,189</u>	<u>\$13,956,400</u>	<u>\$ 14,060,800</u>

	2013 Actual	Variance
	212,886	73
	28,608	140
	18,673	(76)
	33,589	(2,167)
	28,675	3,456
	2,161	(289)
	6,484	(88)
	15,610	(10,729)
	28,778	(6,110)
	22,076	(2,095)
	-	2,225
	70,206	(26,092)
	630	407
	10,600	2,693
	8,040	(9)
	62,748	1,216
	28,286	1,452
	578,050	(35,993)
		<u>\$ (104,400)</u>
		<u>\$ 11,705,651</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.**

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

	<b>Fiscal Year</b>		
	<b>2005</b>	<b>2006</b>	<b>2007</b>
Governmental activities			
Invested in capital assets, net of related debt	\$ 3,129,245	\$ 3,545,562	\$ 3,549,442
Restricted	74,795	64,428	32,042
Unrestricted	<u>358,030</u>	<u>301,060</u>	<u>746,824</u>
Total governmental activities net position	<u>\$ 3,562,070</u>	<u>\$ 3,911,050</u>	<u>\$ 4,328,308</u>
Business-type activities			
Invested in capital assets, net of related debt	\$12,040,291	\$ 12,212,140	\$ 12,661,355
Restricted	137,798	138,706	176,772
Unrestricted	<u>2,709,960</u>	<u>2,545,862</u>	<u>1,914,913</u>
Total business-type activities net position	<u>\$14,888,049</u>	<u>\$ 14,896,708</u>	<u>\$ 14,753,040</u>
Primary government			
Invested in capital assets, net of related debt	\$15,169,536	\$ 15,757,702	\$ 16,210,797
Restricted	212,593	203,134	208,814
Unrestricted	<u>3,067,990</u>	<u>2,846,922</u>	<u>2,661,737</u>
Total primary government net position	<u>\$18,450,119</u>	<u>\$ 18,807,758</u>	<u>\$ 19,081,348</u>

TABLE A-1

Fiscal Year						
2008	2009	2010	2011	2012	2013	2014
\$ 3,625,188	\$ 3,805,846	\$ 3,816,433	\$ 4,351,471	\$ 4,791,257	\$ 4,315,590	\$ 2,964,659
56,185	58,323	60,119	62,171	11,028	11,906	12,825
847,279	1,403,689	1,018,128	513,969	358,850	662,242	1,270,906
<u>\$ 4,528,652</u>	<u>\$ 5,267,858</u>	<u>\$ 4,894,680</u>	<u>\$ 4,927,611</u>	<u>\$ 5,161,135</u>	<u>\$ 4,989,738</u>	<u>\$ 4,248,390</u>
\$ 13,795,660	\$ 14,299,578	\$ 15,112,038	\$ 16,034,964	\$ 17,445,479	\$ 18,761,672	\$ 20,254,016
122,980	120,096	125,923	463,375	103,495	103,626	111,356
1,858,986	2,010,951	2,680,995	3,142,246	2,921,239	5,978,877	6,620,642
<u>\$ 15,777,626</u>	<u>\$ 16,430,625</u>	<u>\$ 17,918,956</u>	<u>\$ 19,640,585</u>	<u>\$ 20,470,213</u>	<u>\$ 24,844,175</u>	<u>\$ 24,844,175</u>
\$ 17,420,848	\$ 18,105,424	\$ 18,928,471	\$ 20,386,435	\$ 22,236,736	\$ 23,077,262	\$ 23,218,675
179,165	178,419	186,042	525,546	114,523	115,532	124,181
2,706,265	3,414,640	3,699,123	3,656,215	3,280,089	6,641,119	7,891,548
<u>\$ 20,306,278</u>	<u>\$ 21,698,483</u>	<u>\$ 22,813,636</u>	<u>\$ 24,568,196</u>	<u>\$ 25,631,348</u>	<u>\$ 29,833,913</u>	<u>\$ 31,234,404</u>

TABLE A-

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

	Fiscal Year					
	2005	2006	2007	2008	2009	2010
<b>Expenses</b>						
Governmental activities:						
Administrative	\$ 429,415	\$ 494,543	\$ 550,712	\$ 543,102	\$ 625,366	\$ 550,726
Sanitation	525,284	552,169	595,541	614,965	607,137	597,196
Fire	307,944	328,722	372,421	403,472	413,973	406,508
Police	1,201,267	1,260,724	1,345,599	1,454,820	1,530,106	1,618,530
Paving and street	921,559	971,433	1,023,956	1,003,610	935,608	950,467
Parks and recreation	792,944	806,073	842,246	927,799	847,600	893,254
Library	237,031	246,801	274,830	283,433	284,255	312,390
Garage	139,382	158,581	163,178	177,194	186,795	180,496
Interest on long-term debt	381,833	362,868	363,425	350,383	316,960	292,638
Total governmental activities expense	<u>4,936,659</u>	<u>5,181,914</u>	<u>5,531,908</u>	<u>5,758,778</u>	<u>5,747,800</u>	<u>5,802,205</u>
Business-type activities:						
Electric, water and sewer	9,747,275	10,407,751	10,553,606	10,490,362	12,007,478	12,362,086
Total business-type activities expenses	<u>9,747,275</u>	<u>10,407,751</u>	<u>10,553,606</u>	<u>10,490,362</u>	<u>12,007,478</u>	<u>12,362,086</u>
Total primary government expenses	<u>14,683,934</u>	<u>15,589,665</u>	<u>16,085,514</u>	<u>16,249,140</u>	<u>17,755,278</u>	<u>18,164,291</u>
<b>Program Revenues</b>						
Governmental activities:						
Charges for services						
Administrative	78,386	167,499	171,091	158,653	368,308	247,380
Sanitation	716,199	735,376	835,662	837,658	846,740	846,516
Police	238,120	236,332	224,131	222,411	222,025	228,426
Paving and street	25,756	83,227	8,931	1,921	892	10,197
Parks and recreation	401,882	269,001	290,508	291,150	298,880	226,859
Library	17,339	16,518	18,085	23,652	19,386	18,171
Operating grants and contributions	115,024	392,402	A. 228,664	A. 130,974	653,212	B. 94,055
Capital grants and contributions	64,077	12,891	-	-	471,764	B. 247,392
Total governmental activities program revenues	<u>1,656,783</u>	<u>1,913,246</u>	<u>1,777,072</u>	<u>1,666,419</u>	<u>2,881,207</u>	<u>1,918,996</u>
Business-type activities:						
Charges for services						
Electric, water and sewer	10,655,080	10,708,095	10,867,675	11,929,258	12,369,934	13,968,911
Total business-type activities program revenues	<u>10,655,080</u>	<u>10,708,095</u>	<u>10,867,675</u>	<u>11,929,258</u>	<u>12,369,934</u>	<u>13,968,911</u>
Total primary government program revenues	<u>12,311,863</u>	<u>12,621,341</u>	<u>12,644,747</u>	<u>13,595,677</u>	<u>15,251,141</u>	<u>15,887,907</u>
Net (Expense) Revenues						
Governmental activities	(3,279,876)	(3,268,668)	(3,754,836)	(4,092,359)	(2,866,593)	(3,883,209)
Business-type activities	907,805	300,344	314,069	1,438,896	362,456	1,606,825
Total primary government program net expense	<u>(2,372,071)</u>	<u>(2,968,324)</u>	<u>(3,440,767)</u>	<u>(2,653,463)</u>	<u>(2,504,137)</u>	<u>(2,276,384)</u>
<b>General Revenues and Other Changes in Net Position</b>						
Governmental activities:						
Taxes						
Sales taxes	2,544,289	2,885,734	3,144,640	3,232,037	3,392,552	3,012,227
Franchise taxes	136,979	148,230	162,312	166,598	172,631	143,586
Hotel/Motel taxes	131,303	168,967	236,920	261,357	291,096	210,076
Investment earnings	31,869	14,373	60,343	54,954	12,753	7,153
Miscellaneous	25,266	34,381	34,344	90,514	-	-
Transfers	259,141	365,963	533,535	487,243	(263,233)	136,989
Total governmental activities	<u>3,128,847</u>	<u>3,617,648</u>	<u>4,172,094</u>	<u>4,292,703</u>	<u>3,605,799</u>	<u>3,510,031</u>
Business-type activities:						
Investment earnings	33,324	74,278	75,798	72,933	27,310	18,495
Transfers	(259,141)	(365,963)	(533,535)	(487,243)	263,233	(136,989)
Total business-type activities	<u>(225,817)</u>	<u>(291,685)</u>	<u>(457,737)</u>	<u>(414,310)</u>	<u>290,543</u>	<u>(118,494)</u>
Total primary government	<u>2,903,030</u>	<u>3,325,963</u>	<u>3,714,357</u>	<u>3,878,393</u>	<u>3,896,342</u>	<u>3,391,537</u>
<b>Changes in Net Position</b>						
Governmental activities	(151,029)	348,980	417,258	200,344	739,206	(373,178)
Business-type activities	681,988	8,659	(143,668)	1,024,586	652,999	1,488,331
Total primary government	<u>\$ 530,959</u>	<u>\$ 357,639</u>	<u>\$ 273,590</u>	<u>\$ 1,224,930</u>	<u>\$ 1,392,205</u>	<u>\$ 1,115,153</u>

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

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

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

TABLE A-

2011	2012	2013	2014
\$ 560,705	\$ 578,438	\$ 609,174	\$ 628,524
611,463	631,433	653,663	705,207
440,931	396,728	404,025	429,642
1,701,952	1,846,576	1,852,215	1,912,194
968,401	962,427	969,670	993,905
917,386	973,354	991,098	947,878
310,674	332,359	354,693	448,499
183,928	190,832	203,343	218,840
267,220	246,345	366,800	325,625
5,962,660	6,158,492	6,404,681	6,610,314
12,851,514	12,521,334	12,167,699	14,519,484
12,851,514	12,521,334	12,167,699	14,519,484
18,814,174	18,679,826	18,572,380	21,129,798
98,784	193,065	98,300	101,595
933,025	947,880	1,027,614	1,038,218
251,926	280,759	273,321	275,621
20,749	51,802	2,103	11,485
234,341	199,677	203,685	192,800
17,309	15,406	17,835	23,829
110,094	130,478	128,227	60,484
171,317	3,491	-	-
1,837,545	1,822,558	1,751,085	1,704,032
15,144,524	14,253,547	16,851,001	17,055,406
15,144,524	14,253,547	16,851,001	17,055,406
16,982,069	16,076,105	18,602,086	18,759,438
(4,125,115)	(4,335,934)	(4,653,596)	(4,906,282)
2,293,010	1,732,213	4,683,302	2,535,922
(1,832,105)	(2,603,721)	29,706	(2,370,360)
3,185,997	3,275,321	3,730,723	3,431,399
162,759	146,319	151,625	135,253
219,019	222,936	270,564	318,487
4,803	10,801	7,743	3,918
-	-	-	-
585,468	914,081	321,544	406,434
4,158,046	4,569,458	4,482,199	4,295,491
14,087	11,496	12,204	12,351
(585,468)	(914,081)	(321,544)	(406,434)
(571,381)	(902,585)	(309,340)	(394,083)
3,586,665	3,666,873	4,172,859	3,901,408
32,931	233,524	(171,397)	(610,791)
1,721,629	829,628	4,373,962	2,141,839
\$ 1,754,560	\$ 1,063,152	\$ 4,202,565	\$ 1,531,048



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

	<b>Fiscal Year</b>			
	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>
General Fund				
Restricted	\$ 5,096	\$ 2,598	\$ 2,598	\$ 78,525
Unassigned	<u>420,260</u>	<u>253,737</u>	<u>583,212</u>	<u>768,754</u>
Total General Fund	<u>\$ 425,356</u>	<u>\$ 256,335</u>	<u>\$ 585,810</u>	<u>\$ 847,279</u>
All Other Governmental Funds				
Restricted				
Debt Service Fund	\$ 74,795	\$ 64,425	\$ 32,042	\$ 56,185
Capital Projects Fund	<u>342,948</u>	<u>-</u>	<u>1,430,000</u>	A. <u>1,136,493</u>
Total all other governmental funds	<u>\$ 417,743</u>	<u>\$ 64,425</u>	<u>\$ 1,462,042</u>	<u>\$ 1,192,678</u>

- A. Bond proceeds for library renovations and utility system improvements.
- B. Bond proceeds for library improvements and water and sewer system improvements.

TABLE A-3

Fiscal Year					
2009	2010	2011	2012	2013	2014
\$ 64,705 <u>1,096,703</u>	\$ 49,852 <u>863,051</u>	\$ 29,094 <u>395,568</u>	\$ 14,224 <u>190,139</u>	\$ 214 <u>857,542</u>	\$ 296 <u>1,270,609</u>
<u>\$ 1,161,408</u>	<u>\$ 912,903</u>	<u>\$ 424,662</u>	<u>\$ 204,363</u>	<u>\$ 857,756</u>	<u>\$ 1,270,905</u>
\$ 58,323 <u>650,228</u>	\$ 60,119 <u>218,502</u>	\$ 62,171 <u>93,702</u>	\$ 11,028 <u>6,053,685</u>	\$ 11,906 <u>3,363,060</u>	\$ 12,825 <u>833,076</u>
<u>\$ 708,551</u>	<u>\$ 278,621</u>	<u>\$ 155,873</u>	<u>\$ 6,064,713</u>	<u>\$ 3,374,966</u>	<u>\$ 845,901</u>

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

	Fiscal Year			
	2005	2006	2007	2008
<b>Revenues</b>				
Taxes	\$ 2,812,571	\$ 3,202,931	\$ 3,543,872	\$ 3,659,992
Licenses and permits	78,387	167,500	171,091	158,653
Charges for service	962,644	1,027,350	1,044,379	1,063,339
Fines and forfeitures	220,754	208,945	220,568	206,059
Miscellaneous	444,987	558,205	435,547	383,885
Total Revenues	<u>4,519,343</u>	<u>5,164,931</u>	<u>5,415,457</u>	<u>5,471,928</u>
<b>Expenditures</b>				
Administrative	362,385	430,460	589,450	464,778
Sanitation	525,099	551,984	595,356	614,780
Fire	272,362	292,497	333,880	366,276
Police	1,100,899	1,156,337	1,239,397	1,356,402
Paving and street	332,286	421,287	446,480	344,420
Parks and recreation	610,971	621,815	654,682	744,706
Library	217,896	225,276	257,071	261,206
Garage	131,848	150,570	154,049	261,800
Capital outlay	1,447,119	1,280,136	633,113	512,315
Debt service				
Interest	381,833	362,868	363,425	350,383
Principal	540,000	560,000	570,000	690,000
Total Expenditures	<u>5,922,698</u>	<u>6,053,230</u>	<u>5,836,903</u>	<u>5,967,066</u>
Excess of revenues over (under) expenditures	(1,403,355)	(888,299)	(421,446)	(495,138)
<b>Other Financing Sources (Uses)</b>				
Proceeds from borrowing	-	-	1,500,000 A	-
Proceeds from refunding	-	-	3,055,000 B	-
Redemption of refunded bonds	-	-	(2,940,000) B	-
Transfers in	1,196,580	1,274,601	1,040,595	1,560,371
Transfers out	(937,439)	(908,638)	(507,060)	(1,073,128)
Total other financing sources	<u>259,141</u>	<u>365,963</u>	<u>2,148,535</u>	<u>487,243</u>
Net change in fund balances	<u>\$ (1,144,214)</u>	<u>\$ (522,336)</u>	<u>\$ 1,727,089</u>	<u>\$ (7,895)</u>
Debt service as a percentage of noncapital expenditures	20.6%	19.3%	17.9%	19.1%

- A. Bond proceeds in 2007 to be used for library and utility system improvements.  
B. Refunding of bonds in 2007 due to favorable interest rates.  
C. Bond proceeds in 2012 to be used for library and utility system improvements.  
D. Refunding of bonds in 2012 due to favorable interest rates.

TABLE A-4

Fiscal Year					
2009	2010	2011	2012	2013	2014
\$ 3,856,279	\$ 3,365,889	\$ 3,567,775	\$ 3,644,576	\$ 4,152,912	\$ 3,885,139
330,493	221,005	69,898	155,254	54,839	78,737
1,069,232	1,064,615	1,185,540	1,174,660	1,275,560	1,311,551
210,193	217,430	235,733	261,493	256,378	261,363
<u>1,271,421</u>	<u>439,046</u>	<u>369,023</u>	<u>256,783</u>	<u>180,943</u>	<u>88,191</u>
<u>6,737,618</u>	<u>5,307,985</u>	<u>5,427,969</u>	<u>5,492,766</u>	<u>5,920,632</u>	<u>5,624,981</u>
544,952	502,238	516,991	612,838	546,441	569,230
606,952	597,076	611,343	631,313	653,542	705,087
378,591	373,785	409,387	367,911	371,718	393,104
1,436,239	1,524,372	1,600,314	1,734,608	1,736,455	1,802,083
388,011	428,013	453,560	447,899	450,841	486,078
667,173	715,406	752,668	810,104	845,205	802,039
250,779	277,401	275,958	296,039	302,686	335,764
175,996	169,988	173,673	172,278	182,681	198,707
1,158,730	497,732	773,312	718,971	1,862,161	1,498,439
316,960	292,398	267,220	246,345	366,800	366,800
<u>720,000</u>	<u>745,000</u>	<u>790,000</u>	<u>850,000</u>	<u>960,000</u>	<u>990,000</u>
<u>6,644,383</u>	<u>6,123,409</u>	<u>6,624,426</u>	<u>6,888,306</u>	<u>8,278,530</u>	<u>8,147,331</u>
93,235	(815,424)	(1,196,457)	(1,395,540)	(2,357,898)	(2,522,350)
-	-	-	6,000,000 C	-	-
-	-	-	3,100,000 D	-	-
-	-	-	(2,930,000) D	-	-
1,236,959	1,606,128	1,767,478	2,160,929	2,874,484	3,276,767
<u>(1,500,192)</u>	<u>(1,469,139)</u>	<u>(1,182,010)</u>	<u>(1,246,848)</u>	<u>(2,552,940)</u>	<u>(2,870,333)</u>
<u>(263,233)</u>	<u>136,989</u>	<u>585,468</u>	<u>7,084,081</u>	<u>321,544</u>	<u>406,434</u>
<u>\$ (169,998)</u>	<u>\$ (678,435)</u>	<u>\$ (610,989)</u>	<u>\$ 5,688,541</u>	<u>\$ (2,036,354)</u>	<u>\$ (2,115,916)</u>
18.9%	18.4%	18.1%	17.8%	20.7%	20.4%

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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**

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<b>Tax Year</b>	<b>Real Property (1)</b>		<b>Personal (1)</b>
	<b>Assessed Value</b>	<b>Estimated Actual Value</b>	<b>Assessed Value</b>
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
2010	405,892,051	405,892,051	56,409,734
2011	407,922,524	407,922,524	55,584,758
2012	405,808,268	405,808,268	55,497,664
2013	426,618,926	426,618,926	56,419,925

(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>Direct Rate</b>
<b>Actual Value</b>	<b>Value</b>	<b>Actual Value</b>	<b>Total</b>	<b>Applied</b>
<b>Actual Value</b>			<b>Estimated</b>	
			<b>Actual Value</b>	
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%
56,409,734	462,301,785	462,301,785	100%	0%
55,584,758	463,507,282	463,507,282	100%	0%
55,497,664	461,305,932	461,305,932	100%	0%
56,419,925	483,038,851	483,038,851	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 Fiscal Year</b>	<b>City General Fund</b>	<b>School District</b>	<b>County</b>	<b>Total</b>
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
2010	.00	1.4135	0.6277	2.0412
2011	.00	1.3950	0.6277	2.0227
2012	.00	1.3950	0.6277	2.0227
2013	.00	1.3950	0.6461	2.0411

<b>County Fiscal Year</b>	<b>City General Fund</b>	<b>School District</b>	<b>County</b>	<b>Total</b>
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
2010	-	17,207,227	15,867,389	33,074,616
2011	-	17,613,894	16,354,545	33,968,439
2012	-	18,774,358	17,876,863	36,651,221
2013	-	19,422,286	18,472,325	37,894,611

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

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

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

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

TABLE B-3

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

<b>TEN LARGEST ELECTRIC CUSTOMERS FISCAL 2014 KILOWATT HOURS</b>				<b>TEN LARGEST ELECTRIC CUSTOMERS FISCAL 2005 KILOWATT HOURS</b>			
(*) Name	Kilowatt Hours	Rank	Percent of Total	Kilowatt Hours	Rank	Percent of Total	
Livingston Independent School Dist.	7,156,948	1	8.44%	8,404,200	1	10.24%	
Polk County	3,337,451	2	3.94%	2,141,329	3	2.61%	
Lowe's Home Improvement	3,292,694	3	3.88%	2,041,444	4	2.49%	
Brookshire Brothers	2,263,319	4	2.67%	2,394,161	2	2.92%	
HEB Grocery	1,895,668	5	2.24%	1,751,933	5	2.13%	
The Bradford	1,144,170	6	1.35%	-		0.00%	
McDonald's	972,042	7	1.15%	707,292	9	0.86%	
Pine Ridge Healthcare Center	827,169	8	0.98%	928,687	7	1.13%	
Factory Stores of America	771,060	9	0.91%	1,349,148	6	1.64%	
First State Bank	652,835	10	0.77%	703,252	10	0.86%	
First National Bank	-		0.00%	709,137	8	0.86%	
	<u>22,313,356</u>		<u>26.32%</u>	<u>21,130,583</u>		<u>25.75%</u>	
<b>TEN LARGEST WATER CUSTOMERS FISCAL 2014 GALLONS USED</b>				<b>TEN LARGEST WATER CUSTOMERS FISCAL 2005 GALLONS USED</b>			
(*) Name	Gallons Used	Rank	Percent of Total	Gallons Used	Rank	Percent of Total	
Texas Department of Criminal Just.	238,498,000	1	35.36%	213,700,000	1	41.94%	
IAH Detention Facility	29,814,000	2	4.42%	-	-	0.00%	
Memorial Medical Center	13,488,000	3	2.00%	10,727,000	3	2.11%	
Livingston Independent School Dist.	11,823,000	4	1.75%	11,152,000	2	2.19%	
Polk County	8,061,000	5	1.20%	5,053,000	6	0.99%	
Pine Hill Apartments	5,534,000	6	0.82%	6,828,000	5	1.34%	
Camp Cho Yeh	4,986,000	7	0.74%	7,266,000	4	1.43%	
The Bradford at Brookside	3,993,000	8	0.59%	-	-	0.00%	
Pine Ridge Healthcare Center	2,886,000	9	0.43%	3,166,000	8	0.62%	
La Quinta	2,397,000	10	0.36%	-	-	0.00%	
Walmart	-		0.00%	3,460,000	7	0.68%	
Mill Ridge Golf Club	-		0.00%	2,691,000	9	0.53%	
Super 8 (Econolodge)	-		0.00%	2,651,000	10	0.52%	
	<u>321,480,000</u>		<u>47.66%</u>	<u>266,694,000</u>		<u>52.34%</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 of electricity and water and sewer services. The City is prohibited by law from disclosing the principal revenue payers of sales tax revenue. Consequently, the City has not provided that information.

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

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<u>Fiscal Year</u>	<u>Total Tax Levy</u>	<u>Current Tax Collections</u>	<u>Percent of Levy Collected</u>	<u>Delinquent Tax Collections</u>	<u>Total Tax Collections</u>
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	-	-
2010-11	N/A	N/A	N/A	-	-
2011-12	N/A	N/A	N/A	-	-
2012-13	N/A	N/A	N/A	-	-
2013-14	N/A	N/A	N/A	-	-

\* City discontinued levying property taxes in fiscal 1989.

TABLE B-4

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

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

	Fiscal Year			
	2004	2005	2006	2007
Agriculture, forestry, & fishing	\$ 17,846	\$ -	\$ -	\$ -
Mining	5,613,633	7,700,436	60,829	756,938
Construction	424,557	787,927	11,059,135	11,376,991
Manufacturing	3,585,308	3,323,607	5,178,592	6,562,549
Transportation, communication, utility	3,502,046	3,498,339	74,518	63,730
Wholesale Trade	2,315,597	2,906,373	8,451,726	8,816,753
Retail Trade	122,067,358	131,436,864	119,034,315	128,368,896
Finance, insurance, real estate	107,361	69,374	1,177,586	1,690,872
Services	6,119,047	5,621,477	32,216,522	29,680,044
Other	<u>440,818</u>	<u>3,097,013</u>	<u>-</u>	<u>-</u>
Total	<u>\$144,193,571</u>	<u>\$ 158,441,410</u>	<u>\$ 177,253,223</u>	<u>\$ 187,316,773</u>

Source: State Comptroller's Office

**TABLE B-5**

<b>Fiscal Year</b>					
<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
285,694	139,367	-	-	-	-
8,329,709	2,566,018	5,362,638	5,188,507	5,879,331	4,302,348
7,440,687	4,670,834	4,047,613	3,615,697	4,907,254	6,711,331
152,921	293,334	285,717	324,431	226,591	231,890
8,944,623	7,407,560	6,784,579	9,500,142	9,603,888	10,848,869
137,752,269	136,583,087	132,247,339	133,603,936	138,173,284	142,313,890
1,741,041	1,666,834	1,120,298	1,149,143	1,865,566	1,899,028
34,724,520	34,823,277	34,106,509	34,841,742	36,840,033	38,727,778
-	-	-	-	-	-
<u>\$ 199,371,464</u>	<u>\$ 188,150,311</u>	<u>\$ 183,954,693</u>	<u>\$ 188,223,598</u>	<u>\$ 197,495,947</u>	<u>\$ 205,035,134</u>

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

	<b>Fiscal Year</b>			
	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>
Electrical revenues	\$ 7,873,279	\$ 8,039,723	\$ 8,016,265	\$ 8,918,291
Water revenues	1,650,187	1,550,614	1,629,707	1,765,155
Sewer revenues	<u>1,131,614</u>	<u>1,117,758</u>	<u>1,153,855</u>	<u>1,245,812</u>
Total	<u>\$ 10,655,080</u>	<u>\$ 10,708,095</u>	<u>\$ 10,799,827</u>	<u>\$ 11,929,258</u>

Sources: Various City Departments

**TABLE B-6**

<b>Fiscal Year</b>					
<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
\$ 9,387,165	\$ 10,362,512	\$ 11,196,010	\$ 10,123,366	\$ 12,539,645	\$ 12,262,970
1,749,976	2,326,923	2,279,605	2,107,111	2,908,495	2,916,915
<u>1,232,793</u>	<u>1,279,476</u>	<u>1,668,909</u>	<u>2,023,070</u>	<u>1,402,861</u>	<u>1,875,521</u>
<u>\$ 12,369,934</u>	<u>\$ 13,968,911</u>	<u>\$ 15,144,524</u>	<u>\$ 14,253,547</u>	<u>\$ 16,851,001</u>	<u>\$ 17,055,406</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 OF OBLIGATION</u>	<u>GENERAL OBLIGATION BONDS</u>	<u>WATER SERVICE CONTRACTS PAYABLE</u>	<u>TOTAL PRIMARY GOVERNMENT</u>
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 (1)	3,645,000 (1)	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 (3)	9,575,000
2010-11	3,605,000	2,395,000	2,715,000	8,715,000
2011-12	6,205,000 (5)	5,115,000 (5)	2,640,000	13,960,000
2012-13	6,055,000	4,305,000	23,140,000 (6)	33,500,000
2013-14	5,900,000	3,470,000	22,510,000	31,880,000

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

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

(2) U.S. Census 2000.

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

(4) U.S. Census 2010.

(5) The City issued \$6,000,000 in new bonds and \$3,100,000 in refunding bonds in 2012.

(6) The Trinity River Authority issued \$20,575,000 in water system improvement bonds to be repaid by the City proprietary fund.

**TABLE C-**

<b><u>PERCENTAGE OF PERSONAL INCOME</u></b>	<b><u>GROSS BONDED DEBT PER CAPITA</u></b>	<b><u>NET BONDED DEBT PER CAPITA</u></b>	<b><u>POPULATION</u></b>
6.48%	1,631	1,543	5,433 (2)
5.61%	1,517	1,442	5,433
6.19%	1,697	1,641	5,433
5.11%	1,558	1,509	5,433
4.44%	1,413	1,376	5,433
5.14%	1,762	1,239	5,433
4.33%	1,634	1,113	5,335 (4)
6.98%	2,617	2,120	5,335
16.55%	6,279	1,940	5,335
15.36%	5,976	1,754	5,335

**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 Value (1)</u>	<u>Gross Bonded Debt (3)</u>	<u>Less: Debt Service Fund</u>
2004-05	5,433 (2)	229,488,246	8,460,000	74,795
2005-06	5,433	244,106,970	7,900,000	64,428
2006-07	5,433	251,088,683	8,945,000	32,042
2007-08	5,433	381,313,665	8,255,000	56,185
2008-09	5,433	416,592,823	7,535,000	58,323
2009-10	5,433	457,462,152	6,790,000	60,119
2010-11	5,335 (4)	462,301,785	6,000,000	62,171
2011-12	5,335	463,507,282	11,320,000	11,028
2012-13	5,335	461,305,932	10,360,000	11,906
2013-14	5,335	483,038,851	9,370,000	12,825

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

(2) U.S. Census 2000

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

(4) U.S. Census 2010

**TABLE C-2**

<b>Net Bonded Debt</b>	<b>Ratio of Net Bonded Debt to Assessed Value</b>	<b>Net Bonded Debt Per Capita</b>
8,385,205	-	1,543
7,835,572	-	1,442
8,912,958	-	1,641
8,198,815	-	1,509
7,476,677	-	1,376
6,729,881	-	1,239
5,937,829	-	1,113
11,308,972	-	2,120
10,348,094	-	1,940
9,357,175	-	1,754

**CITY OF LIVINGSTON, TEXAS  
COMPUTATION OF DIRECT AND OVERLAPPING DEBT  
September 30, 2014**

<b>Governmental Unit</b>	<b>Outstanding Debt</b>	<b>Percentage Applicable to This Governmental Unit *</b>	<b>City of Livingston's Share of Debt</b>
City of Livingston	\$ 9,370,000	100%	\$ 9,370,000
(1) Livingston Independent School District	68,020,000	20%	13,604,000
(2) County of Polk	27,833,860	13%	3,618,402
Total overlapping debt	95,853,860		17,222,402
Total direct and overlapping debt	\$ 105,223,860		\$ 26,592,402

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

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

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

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

**CITY OF LIVINGSTON, TEXAS  
COMPUTATION OF LEGAL DEBT MARGIN  
September 30, 2014**

Assessed value, year 2013	<u>\$ 483,038,851</u>
Debt Limit - Ten Percent of assessed value	48,303,885
Amount of Debt Applicable to Debt Limit:	
General Obligation bonds	3,470,000
Other debt (certificate of obligation and contracts payable)	<u>28,410,000</u>
Total debt	<u>31,880,000</u>
Less: Assets in debt service fund	12,825
Total amount of debt applicable to debt limit	<u>31,867,175</u>
Legal debt margin	<u>\$ 16,436,710</u>

<b>Fiscal Year</b>	<b>Debt Limit</b>	<b>Total Net Debt Applicable to Limit</b>	<b>Legal Debt Margin</b>	<b>Legal Debt Margin as a Percentage of the Debt Limit</b>
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%
2011	\$ 46,230,179	\$ 8,652,829	\$ 37,577,350	81.28%
2012	\$ 46,350,728	\$ 13,948,972	\$ 32,401,756	69.91%
2013	\$ 46,130,593	\$ 33,488,094	\$ 12,642,499	27.41%
2014	\$ 48,303,885	\$ 31,867,175	\$ 16,436,710	34.03%

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.**

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

---

<b>Fiscal Year</b>	<b>Population</b>	<b>Personal Income</b>	<b>Per Capita Personal Income</b>	<b>Unemployment Rate</b>
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%
2010-11	5,335	201,161,510	37,706	10.50%
2011-12	5,335	200,019,820	37,492	7.70%
2012-13	5,335	202,463,250	37,950	7.20%
2013-14	5,335	207,558,175	38,905	6.30%

\* Sources: Population provided by the 2000 and 2010 census. Personal income provided by Bureau of Economic Analysis. Unemployment rate 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>2014</u></b>			<b><u>2005</u></b>		
	<u>Employees</u>	<u>Rank</u>	<u>Percent of Total City Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percent of Total City Employment</u>
Livingston ISD	613	1	7.86%	600	1	8.82%
Wal-Mart Super Center	454	2	5.82%	500	2	7.35%
Memorial Med. Center	332	3	4.25%	139	6	2.04%
County of Polk - Government	342	4	4.38%	300	3	4.41%
I A H Detention Facility	177	5	2.27%	-	-	0.00%
Lowe's Home Improvement	157	6	2.01%	-	-	0.00%
Sam Houston Electric Coop	156	7	2.00%	-	-	0.00%
The Bradford at Brookside	146	8	1.87%	-	-	0.00%
Pine Ridge Nursing Center	102	9	1.31%	175	4	2.57%
STI Group	100	10	1.28%	-	-	0.00%
First National Bank	-		0.00%	75	8	1.10%
Brookshire Bros.	-		0.00%	148	5	2.18%
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>2,579</u>		<u>33.05%</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>FUNCTION/PROGRAM</b>		<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>					
Administrative		9	10	B	11	B	12	B	10	B	
Fire	A	1	2		2		2		2		
Police											
Officers		18	18		18		17		18		
Other staff		5	5		5		6		6		
Paving and street		6	7		7		5		5		
Parks and recreation		9	9		10		8		11		
Library		4	5		5		4		5		
Garage		2	2		2		2		2		
Electric, Water & Sewer		<u>18</u>	<u>19</u>	<u>16</u>	<u>18</u>		<u>18</u>		<u>18</u>		
Total		<u>72</u>	<u>77</u>	<u>76</u>	<u>74</u>		<u>74</u>		<u>77</u>		

Sources: Various City Departments

- A. The City does not have a paid fire department. The City has approximately 35 citizens who volunteer to serve in the fire department.
- B. Includes 2 employees assigned to community development and 1 employee assigned to Main Street for 2006 and subsequent years.

TABLE E-

<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
10 B	12 B	12 B	12 B	12 B
2	2	2	2	2
18	18	18	18	18
6	8	8	8	8
6	5	6	4	6
11	8	8	7	9
5	5	5	5	5
2	2	2	2	2
<u>19</u>	<u>17</u>	<u>16</u>	<u>17</u>	<u>21</u>
<u>79</u>	<u>77</u>	<u>77</u>	<u>75</u>	<u>83</u>



**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>2005</u></b>	<b><u>2006</u></b>	<b><u>2007</u></b>	<b><u>2008</u></b>
Police				
Violations (Traffic & Criminal)	2,761	2,493	3,047	2,823
Fire				
Fire Calls	592	592	728	863
Library				
Volumes of Books	24,425	22,212	22,426	20,770
Electric				
Average daily kilowatt hours sold	224,874	226,791	227,240	224,443
Total customers	3,278	3,281	3,325	3,329
Water				
Average daily consumption	1,415,414	1,347,551	1,347,079	1,445,855
Total connections	3,186	3,213	3,224	3,214

Sources: Various City Departments

**TABLE E-2**

<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
3,309	3,317	4,494	4,880	4,881	4,588
797	717	850	613	572	508
22,409	22,287	23,544	21,759	19,599	18,335
230,289	238,439	243,342	227,099	232,027	232,292
3,331	3,296	3,286	3,295	3,310	3,320
1,480,375	1,567,956	1,611,014	1,507,419	1,956,984	1,847,951
3,270	3,265	3,251	3,261	3,293	3,286

TABLE E-3

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

<b>FUNCTION/PROGRAM</b>	<b>Fiscal Year</b>			
	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>
Police				
Patrol Units	9	9	9	7
Fire				
Stations and substation	2	2	3	3
Vehicles including fire trucks	9	9	9	17
Paving and Street				
Miles of Paved Streets	49.20	49.20	49.20	53.24
Miles of Paved Sidewalks	12.50	12.50	12.50	12.50
Street lights	703	711	711	721
Night lights	466	481	481	468
Parks & Recreation				
Acres of Parks	373.50	373.50	373.50	373.50
Water				
Miles of water mains	33.95	33.95	33.95	34.40
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	78.88

Sources: Various City Departments

TABLE E-3

<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
8	10	10	16	16	16
3	3	3	3	3	3
17	17	17	17	15	17
55.74	58.06	58.06	58.06	58.06	58.06
12.50	12.50	12.50	12.50	12.50	12.50
721	723	818	824	819	821
468	424	435	452	452	467
373.50	373.50	373.50	373.50	373.50	373.50
35.98	40.43	45.25	45.78	45.78	46.63
2,150,000	2,150,000	2,150,000	2,150,000	2,150,000	3,150,000
78.88	80.00	80.00	80.00	80.75	80.75

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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 Council - Manager Elected Officials: Mayor Five (5) Council members
POPULATION:	1990 U.S. Census - 5,019 2000 U.S. Census - 5,433 2010 U.S. Census - 5,335

**INCORPORATED AREA IN ACRES LAST TEN YEARS**

2005	5,456	2010	5,554
2006	5,456	2011	5,572
2007	5,465	2012	5,572
2008	5,465	2013	5,572
2009	5,537	2014	5,572

**TRANSPORTATION FACILITIES**Streets

58.06 Miles paved street  
10.35 Unpaved streets  
10.50 Miles undeveloped streets  
12.50 Miles sidewalk

Highways

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

Railways

Union Pacific RR Company

Municipal Airport

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

**WATER AND SANITATION FACILITIES**Water Mains

12" 9.40 miles  
8" 12.25 miles  
6" 20.63 miles  
20" 4.35 miles

Water Pumpage

Present requirements 1,850,000  
gallons per day

Water Storage

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

Sewer Lines

Sanitation - 80.75 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	7	20-30	8
Water	11	15-19	7
Sewer	3	10-14	14
Police	25	6-9	17
Street	6	1-5	23
Parks and Recreational	6	Less than (one) 1 year	9
Library	5		
Garage	2		83
Community Devel.	2		
Fire	2		
Main Street	1		
Trade Days	3		
Total	83		

**PERSONNEL POLICY PROVISIONS**

Cost of Living Salary Adjustment	Paid insurance Benefits - all regular (40 Hours plus) full-time employees and portion of dependents (hospitalization and life insurance, dental and vision prescription cards).
Merit System (all regular full-time employees)	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 (Ten)	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

**POLICE PROTECTION**Personnel

One (1) Chief  
 One (1) Lieutenant  
 Four (4) Sergeants  
 Two (2) Detectives  
 Eight (8) Officers  
 Six (6) Reserve Officers  
 Four (4) Telecommunication Operators  
 Two (2) Relief Telecommunication Operator  
 One (1) Animal Control Officer  
 Two (2) School Officers

One (1) Municipal Court Judge  
 One (1) Secretary/Comm. Spv  
 One (1) Corporation Clerk  
 One (1) Records Clerk  
 One (1) Associate Municipal  
       Court Judge

Equipment

Sixteen (16) Patrol Units  
 Eight (8) Radars  
 Radio Communication System  
 Computer System

Traffic and Criminal Violations

\$189,942 fines collected  
 4,588 violations

**FIRE PROTECTION**Personnel

One (1) Fire Chief  
 Thirty-five (35) volunteer firemen  
 Three (3) radio dispatchers - full time and standby  
 One (1) secretary

Housing

1992 Station 1 - 8 Truck bays, 2 offices  
       1 classroom, and 1 workroom

Equipment

Four (4) pumpers (1-1000 GPM; 3-1250 GPM; 1-750 GPM)  
 One (1) aerial ladder truck (1750 GPM)  
 Two (2) tankers (3000 gal. capacity)  
 One (1) Haz-Mat truck  
 Two (2) rescue boats and equipment  
 One (1) Command Post-32' self-contained  
 Radio communication system including 50 mobile units,  
       dispatch module and 6 remotes  
 "Jaws" of life (5 sets with 1 set of air bags)

1996 Station 2 - 5 Truck bays

2007 Station 3 - 2 Truck bays

Fire Training Field - Used for live  
       fire training and other rescue classes

Water rescue equipment  
 Trench rescue equipment  
 Rope rescue equipment  
 Three (3) Thermal imagers  
 Two (2) utility vehicle

Three (3) Grass/brush fire trucks  
 One (1) Heavy Rescue  
 1-6 Bottle cascade system-light tower  
 1-8 Bottle cascade system  
 300 gallons AFFF Foam  
 200 gallons Forestry Foam  
 One (1) John Deere Gator  
 One (1) Skid Unit

50 gallons Micro Blaze  
 40 self-contained air packs  
 6 generators  
 8 entry saws  
 Hazardous material equipment  
 3 Ventilation saws  
 2 Metal cutoff saws  
 3 450 GPM Float Pumps

Total Fire Calls

2013-2014 - 508 fire calls

## CITY OF LIVINGSTON, TEXAS

**MISCELLANEOUS STATISTICAL DATA - UNAUDITED****POPULATION INFORMATION**

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

**ENTERPRISES AS OF SEPTEMBER 30, 2014**

(1) Centerpoint Energy	Gas Utility	Active Customers 1,192 Inactive Customers N/A
(1) Versalink Media	Television Cable	Customers - 504
(1) LivCom	Telephone System	Access Lines - 3,658
(1) LivCom	Television Cable	Customers - 884
City of Livingston	Electric & Water Systems	Electric Customers 3,320 Water Customers 3,286
(1) Information provided by individual corporate offices		

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

Fiscal Year	Number of Customers	KWH Consumed		Total
		Residential	Commercial	
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
2011	3,286	31,409,976	57,409,721	88,819,697
2012	3,295	28,116,445	54,774,790	82,891,235
2013	3,310	28,768,370	55,921,446	84,689,816
2014	3,320	29,358,471	55,428,091	84,786,562

## CITY OF LIVINGSTON, TEXAS

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

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
2010-11	\$ 3,185,997
2011-12	\$ 3,275,321
2012-13	\$ 3,730,723
2013-14	\$ 3,431,399

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

<u>Year</u>	<u>Gallons Consumed *</u>	<u>Gallons Pumped</u>
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
2011	588,020,000	778,293,000
2012	550,208,000	704,187,000
2013	547,014,000	705,194,000
2014	538,997,000	676,494,000

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

**\* EDUCATIONAL FACILITIES****Public Schools**

Cedar Grove Elementary (1st)  
 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  
 124 Aides Para Professional  
 173 Auxiliary  
 Average Daily Attendance - 3,858 Inclusive

**Public School Administrative Personnel**

Superintendent - One (1)  
 Asst. Superintendent - Three (3)  
 Principals - Six (6)  
 Asst. Principals - Seven (7)  
 Counselors - Eight (8)  
 Directors of Special Prog./Curriculum -  
 Nine (9)  
 Other - Four (4)

**Private**

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

**College**

Angelina Junior College  
 Polk County College/Commerce Center

\* 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

Livingston Municipal Library

Located at 707 North Tyler Avenue. Opened  
 at new location May 2014 valued at \$2,500,000.  
 Staff-Professional Librarian, Three (3) Assistants,  
 One (1) Aide, Janitorial help.  
 Volumes; 2014 - 18,335

Joe Pedigo City Park

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

**ELECTION INFORMATION**

* Number of registered voters in County November 2014	37,146
* Number voting in last general election November 2014	10,631
Number of registered voters in City	3,203
** Number voting in last Municipal election (2008)	910
Percentage of voters voting:	
Last general election (County) (2014)	28.6%
** 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, 2014**

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

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