

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

**FISCAL YEAR  
OCTOBER 1, 2014 - SEPTEMBER 30, 2015**

**ISSUED BY: FINANCE DEPARTMENT  
MARILYN SUTTON**

**CITY OF LIVINGSTON, TEXAS  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
SEPTEMBER 30, 2015**

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# *City of Livingston, Texas*

A Texas Main Street City Since 2005

200 West Church Street, Livingston, Texas 77351-3281

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

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

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March 8, 2016

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, 2015 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: 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.

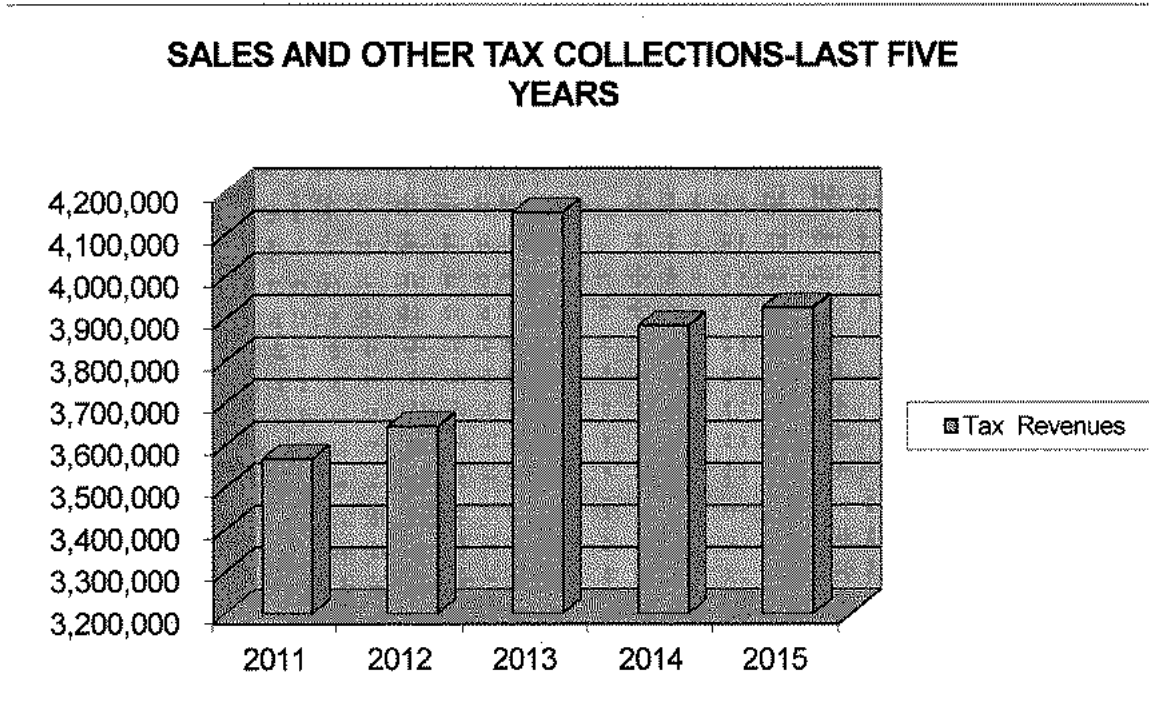
All internal control evaluations occur within the above framework. We believe that the City's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

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 2015 while other economic indicators experienced a decline. Sales tax revenue, a major indicator of the economic condition of the area, increased from \$3,432,000 to \$3,488,000, an increase of \$56,000 or 1.6%.

A graph of tax receipts follows:



In fiscal 2015, hotel occupancy tax decreased by 6.7%, gross receipts and franchise fees increased by 5.0%, sanitation service revenue increased by less than 1.0%, municipal court fines increased by 7.0%, and parks and recreation and library user fees increased by 68.3%.

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 also increased minimally with total gallons of water consumed decreasing from 532,994,000 in 2014 to 527,695,000 in 2015. The Texas Department of Criminal Justice Polunsky Unit, located on FM 350 South, continued as the City's leading water and wastewater user consuming 251,991,000 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 19,505,000 gallons of water. Together, these two facilities represent 51.45% of water and sewer consumption, or 271,496,000 gallons of the total water consumed in fiscal year 2015.



## Economic Development

A total of 62 building permits were issued by the City of Livingston for commercial and residential construction projects in calendar year 2015 with a total construction value of \$6,762,540. 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.

Numerous new and/or renovated businesses which opened in 2015 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 2015 include:

- Murphy's Gas Station - a 1200 square foot convenience store with gas/diesel pumps located on the southeast corner of the Wal-Mart parking lot.
- Melbo's Gas Station and Car Wash - a new convenience store and gas station at the corner of US 190 and SH 146 South.
- Chicken Express – a new dine-in restaurant with drive-through.
- Livingston Fitness Center – a renovation of the City's former library building on West Church Street into a family fitness center.
- Wal-Mart – Complete interior renovation of the existing retail center.
- Church Street Financial – new office construction at FM 350 South and US 190 West.
- Holiday Inn Express – addition of a fitness center at the existing hotel in Southpoint Center.
- Stripes Convenience Store and Café – a new convenience store, gas station and Laredo Taco Company café located at the corner of FM 350 South and US 190 West.
- Livingston Independent School District – Construction of eight (8) tennis courts at the Livingston High School campus on FM 350 South.
- Premier Nail Bar – a new nail salon that also serves wine will be located beside Donut Express and Subway on North Washington.
- Milam Street Coffee House and Bakery – a complete interior renovation of an existing facility to include bakery items, a coffee shop, and a light lunch menu.
- Pit Row Pit Stop Café – existing building is being renovated at the corner of First Street and Church Street as a diner-type café.
- Siegleman's Deli – a new sandwich shop located in Southpoint Center.
- Concrete Batch Plant – a concrete batch plant to be located at 709 US 59 South feeder road just south of Bounds Chevrolet on the site of the old J.C. Smith plant.
- Coats Law Office - office renovation project located at 408 North Jackson.

- CHI Hospital – plans are being developed and a groundbreaking is planned for a new state-of-the-art emergency room facility at the hospital at an estimated cost of \$6,000,000. The project will include a total of 37 ED stations, 3 trauma rooms, 3 fast-track rooms and 6 results-waiting stations. The emergency room is expected to open in 2016.
- West Park Drive Medical Office – preliminary plans call for the construction of a 7,104 square foot dialysis center, the Livingston Fresenius Medical Care, to be located at the corner of West Park Drive and the US 59 North feeder road.
- O'Reilly's Auto Parts – construction of a new O'Reilly's Auto Parts store to be located in the 600 block of West Church Street.
- Polk County Mission Center of Hope – construction of the new facility at Garner and South Washington.
- Polk County Farm Bureau Office – expansion of the existing Farm Bureau office on the US 59 North bypass.
- David Mallory – construction of a new single family residential development consisting of 14 individual units in the 1100 block of North Houston.

#### Capital Projects

Several major infrastructure projects were completed by the City during 2015 including:

- The renovation of the interior and exterior of the existing 300,000 gallon elevated water storage tank located on Cemetery Hill at a cost of \$158,700
- The expansion and upgrade of the sanitary sewer lift station on the US 59 South bypass to serve the growth areas of the City on US 190 West and on the US 59 bypass at a cost of \$451,010
- A major street improvement project wherein more than 6 miles of existing city streets were improved at a cost of \$1,423,199
- Improvements to Circle Drive in the Livingston Housing Authority which was funded with a community development block grant from the Texas Department of Agriculture at a cost of \$275,000

Construction also continued 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 2014 - 2015 year:

- The Trinity River Authority (TRA) awarded a contract to Layne Heavy Civil in 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 spring, 2016. 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.

- The Sam Rayburn Municipal Power Agency (SRMPA) awarded a contract 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 2016.

#### Future Economic Outlook

There are various projects and issues which will continue to affect the future economic outlook of the Livingston area in a very positive manner including:

- the Angelina College satellite campus here in Livingston which had a Fall, 2015 enrollment of 318 students which will improve education, job training and employment skills for our residents
- the recent Congressional designation of the U.S. Highway 190 east/west corridor through Livingston as a future interstate highway (I-14) which will affect the growth and development of the community
- the recent approval by the federal government of gambling at the Alabama-Coushatta Indian reservation which is located 17 miles east of Livingston on U.S. Highway 190 which will have a positive effect on tourism and employment in the area
- the continuing gas pipeline construction activity which is occurring in our area which employs many full-time employees
- the construction of the \$235,000,000 Roy O. Martin project, a new state-of-the-art oriented strand board (OSB) facility, which will provide more than 1,000 construction jobs over a 20-month period and 165 permanent jobs when it opens in the Fall of 2017.
- the construction of the R.C. "Joe" Thomas hydroelectric generating facility on the Lake Livingston dam which is currently providing numerous construction jobs and will have a generating capacity of 24 MW and will operate on a "run of the river" basis when complete in 2018.

As we begin the new year, sales tax revenue has decreased for the first four months of the 2015 - 2016 fiscal year by about 10.0% from the first four months of 2014 - 2015 due to the closing of Wal-Mart for 3 of the 4 months in this new fiscal year. With the reopening of Wal-Mart in December, 2015, we expect the sales tax revenue to rebound as we move into 2016. 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 2016, the City Council and administrative staff will begin the process of developing a new 5-year strategic plan for the City. This process involves 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.

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 2015 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, 2015, 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, 2014. 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-seven consecutive years (fiscal years ended 1988-2014). 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, 2015**

**PRINCIPAL OFFICIALS**

**City Council**

Mayor

Clarke Evans

Mayor Pro-tem

Judy Cochran

Alderman

Elgin Davis

Alderman

Raymond Luna

Alderman

Billy S. Wiggins

**Administration**

City Manager

Marilyn Sutton

City Secretary

Ellie Monteaux

City Attorney

Jim Wright

**Form of Government**

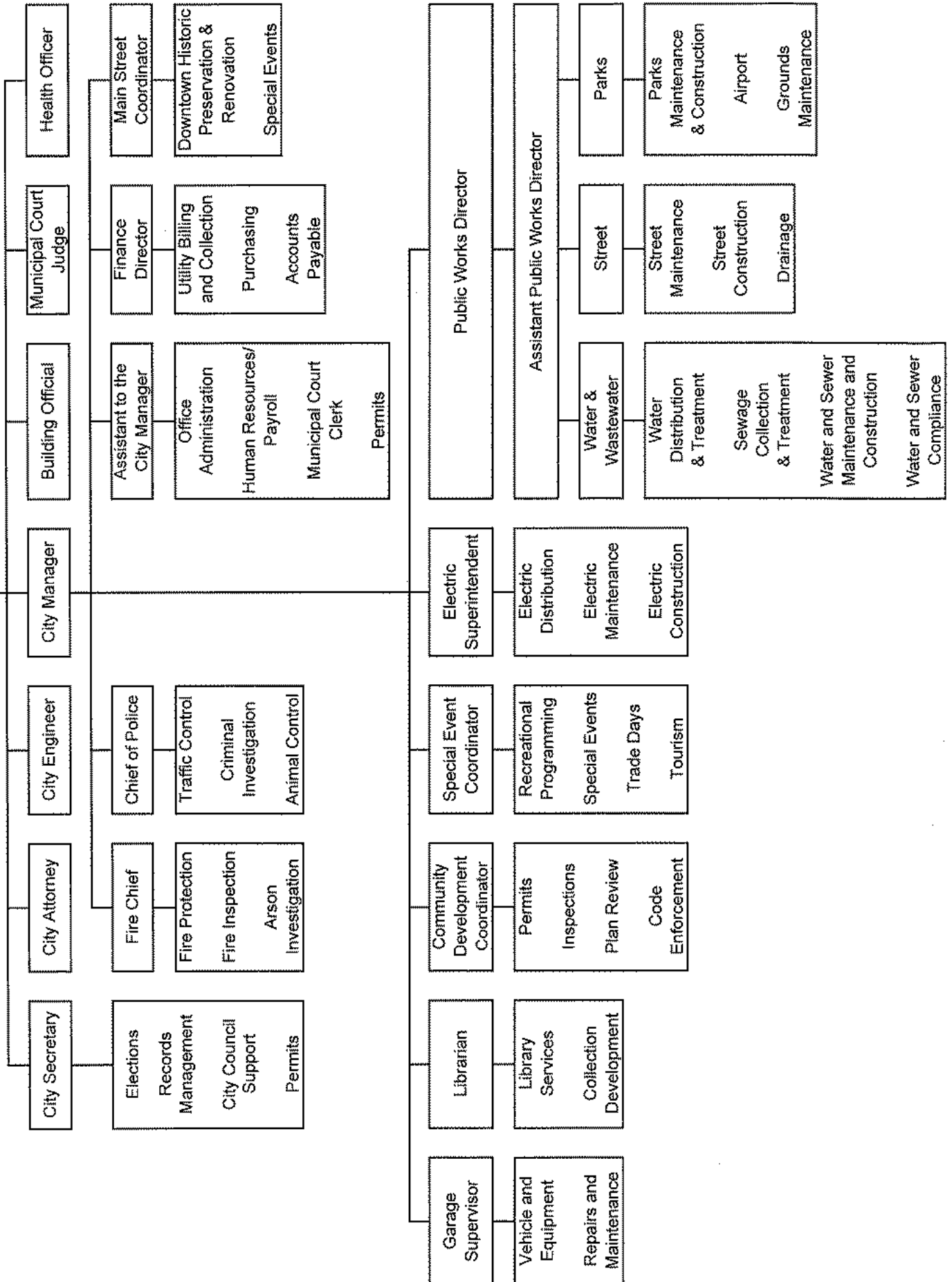
Council - Manager

General Law City

# CITY OF LIVINGSTON, TEXAS ORGANIZATIONAL CHART

2015

Mayor and City Council





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, 2014**

Executive Director/CEO



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## **FINANCIAL SECTION**



## **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, 2015, 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 opinion.

### **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, 2015, 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 and the schedule of net changes in pension liability and schedule of pension contributions on pages 53-54 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 8, 2016

## **CITY OF LIVINGSTON, TEXAS**

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

**SEPTEMBER 30, 2015**

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, 2015. 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 \$22,000 or .5% as a result of the year's operations and a change in accounting as a result of Government Accounting Standards Board Statement (GASB) No. 68 requirement to record the City's net pension liability. The operations of the governmental activities along with operating transfers from the City's business type activities actually increased the net position of governmental activities by \$1,513,000. The effect of recording the net pension liability was a reduction in net position of \$1,535,000. The increase from operations was due primarily to an increase in sales tax and franchise tax revenue of \$64,000, an increase in grants for the street department of \$220,000, and an increase in transfers from business activities of \$1,941,000. Net position of the City's business type activities increased by \$1,784,000 or 6.6% during 2015. This increase was primarily a result of operating results for 2015 net of a reduction for the change in accounting to record the business activities portion of the net pension liability.
- The City's total net position increased by \$1,762,000 or 5.6% during the current fiscal year. The increase is the result of the changes described above.
- Total cost of the City's government programs increased \$260,000 or 3.2%. Expenses increased in virtually all departments. The largest contributor to the increase was the increased police department costs of \$80,000, street department costs of \$89,000, and parks and recreation department costs of \$112,000.
- As of September 30, 2015, the City of Livingston's governmental funds reported combined ending fund balances of \$1,748,000 a decrease of \$369,000 in comparison with the prior fiscal year. The decrease is due primarily to the expenditures for street improvements.
- At the end of the current fiscal year, the unassigned fund balance for the general fund was \$1,231,000 or approximately 17.4% of total general fund expenditures.
- The City's total bonded debt decreased by \$1,020,000 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 net pension liability and annual contributions to the pension plan. 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 42-46 of this report.

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

The City's combined net position was \$32,996,000 as of September 30, 2015. Analyzing the net position of governmental and business-type activities separately, the business type activities net position is \$28,770,000. 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 (76.76%) reflects its investment in capital assets (e.g., land, water rights, buildings, machinery, equipment, and infrastructure); less any related debt used to acquire those assets that are still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

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

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

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total Primary Government</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
Current and other assets	\$ 2,160,325	\$ 2,374,442	\$ 10,233,491	\$ 8,490,799	\$ 12,393,816	\$ 10,865,241
Capital assets	12,280,073	11,501,584	42,790,615	42,764,016	55,070,688	54,265,600
Deferred Outflows	503,704	-	259,221	-	762,925	-
Total assets	<u>14,944,102</u>	<u>13,876,026</u>	<u>53,283,327</u>	<u>51,254,815</u>	<u>68,227,429</u>	<u>65,130,841</u>
Long-term debt outstanding	8,350,000	9,370,000	21,900,000	22,510,000	30,250,000	31,880,000
Other liabilities	2,367,697	257,636	2,613,733	1,758,801	4,981,430	2,016,437
Total liabilities	<u>10,717,697</u>	<u>9,627,636</u>	<u>24,513,733</u>	<u>24,268,801</u>	<u>35,231,430</u>	<u>33,896,437</u>
Net position (deficit):						
Invested in capital assets, net of related debt	4,437,694	2,964,659	20,890,615	20,254,016	25,328,309	23,218,675
Restricted	6,523	12,825	117,270	111,356	123,793	124,181
Unrestricted	<u>(217,812)</u>	<u>1,270,906</u>	<u>7,761,709</u>	<u>6,620,642</u>	<u>7,543,897</u>	<u>7,891,548</u>
Total net position	<u>\$ 4,226,405</u>	<u>\$ 4,248,390</u>	<u>\$ 28,769,594</u>	<u>\$ 26,986,014</u>	<u>\$ 32,995,999</u>	<u>\$ 31,234,404</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 \$7,543,897 may be used to meet the government's ongoing obligations to citizens and creditors.

As of September 30, 2015, the City is able to report positive balances in all three categories of net position. The governmental activities reflect a deficit in unrestricted net position as a result of recording the City's net pension obligation in 2015 as required by Government Accounting Standards Board Statement 68. The business-type activities continue to reflect positive balances in net position.

The governmental activities total assets increased by \$1,068,000. This increase was primarily related to transfers from the Electric Water and Sewer Fund and the recording of deferred outflows related to pensions. Long-term debt of governmental activities decreased by \$1,020,000 as a result of the payment on outstanding bonds. The long-term debt of the business type activities decreased by \$610,000 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 \$1,761,595.



### **Governmental Activities**

Governmental activities increased net position by \$1,512,792 from operating activities and transfers from the Electric Water and Sewer Fund; however there was a prior period adjustment that reduced net position by \$1,534,777 as a result of recording the net pension liability as of the beginning of the year. Net position invested in capital assets, net of related debt increased by \$1,473,035 or 49.7% due to the repayment of outstanding bonds and investment in equipment, buildings, and infrastructure net of depreciation. Unrestricted net position decreased by \$1,488,718 once again as a result of recording the net pension liability.

Total revenues for governmental activities increased from the previous year by \$441,943. The primary increase was in grants for street improvements of \$219,600, an increase in parks and recreation receipts of \$139,009, and a \$57,076 in sales tax revenue. Expenses increased by 3.9% and were generally up in most departments.

### **Business-Type Activities**

Net position from business-type activities increased by \$1,783,580 or 6.6% from \$26,986,014 in 2014 to \$28,769,594 in 2015. The increase was primarily due to electric recoveries of \$4,211,558 from the Cambridge Project (a separate wholesale power supply contract that allows the Sam Rayburn Municipal Power Agency to utilize excess capacity and make distributions of profit back to the participating cities) along with operating results for the year, net of transfers to governmental activities of \$2,347,835 and the net effect of recording the business-type activities portion of the net pension liability of \$800,396.

The following table provides a summary of the City's operations for year ended September 30, 2015 with comparative totals for year ended September 30, 2014.

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

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total Primary Government</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
Revenues:						
Program Revenues:						
Charges for						
Services	\$ 1,797,478	\$ 1,643,548	\$ 19,551,817	\$ 17,055,406	\$ 21,349,295	\$ 18,698,954
Capital Grants & Contributions	219,600	-	-	-	219,600	-
Operating Grants & Contributions	86,898	60,484	-	-	86,898	60,484
General Revenues:						
Property tax	-	-	-	-	-	-
Sales tax	3,488,475	3,431,399	-	-	3,488,475	3,431,399
Franchise tax	142,040	135,253	-	-	142,040	135,253
Hotel/Motel tax	297,152	318,487	-	-	297,152	318,487
Investment earnings	<u>3,389</u>	<u>3,918</u>	<u>8,930</u>	<u>12,351</u>	<u>12,319</u>	<u>16,269</u>
Total Revenues	<u>6,035,032</u>	<u>5,593,089</u>	<u>19,560,747</u>	<u>17,067,757</u>	<u>25,595,779</u>	<u>22,660,846</u>
Expenses:						
Administration	629,168	628,524	-	-	629,168	628,524
Sanitation	701,377	705,207	-	-	701,377	705,207
Fire	431,539	429,642	-	-	431,539	429,642
Police	1,992,910	1,912,194	-	-	1,992,910	1,912,194
Paving & Street	1,082,684	993,905	-	-	1,082,684	993,905
Parks & Recreation	1,060,084	947,878	-	-	1,060,084	947,878
Library	476,226	448,499	-	-	476,226	448,499
Garage	217,587	218,840	-	-	217,587	218,840
Interest on long- term debt	278,500	325,625	-	-	278,500	325,625
Electric, Water, and Sewer	<u>-</u>	<u>-</u>	<u>14,628,936</u>	<u>14,519,484</u>	<u>14,628,936</u>	<u>14,519,484</u>
Total Expenses	<u>6,870,075</u>	<u>6,610,314</u>	<u>14,628,936</u>	<u>14,519,484</u>	<u>21,499,011</u>	<u>21,129,798</u>
Excess (deficiency) before transfers	(835,043)	(1,017,225)	4,931,811	2,548,273	4,096,768	1,531,048
Transfers, net	<u>2,347,835</u>	<u>406,434</u>	<u>(2,347,835)</u>	<u>(406,434)</u>	<u>-</u>	<u>-</u>
Increase (decrease) in net position	1,512,792	(610,791)	2,583,976	2,141,839	4,096,768	1,531,048
Net position - October 1	4,248,390	4,989,738	26,986,014	24,844,175	31,234,404	29,833,913
Change in Accounting	<u>(1,534,777)</u>	<u>(130,557)</u>	<u>(800,396)</u>	<u>-</u>	<u>(2,335,173)</u>	<u>(130,557)</u>
Net position - September 30	<u>\$ 4,226,405</u>	<u>\$ 4,248,390</u>	<u>\$ 28,769,594</u>	<u>\$ 26,986,014</u>	<u>\$ 32,995,999</u>	<u>\$ 31,234,404</u>

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

### **Governmental Funds**

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

At the end of the current fiscal year, the City of Livingston's governmental funds reported combined ending fund balances of \$1,748,010. Approximately 70.5% of the total amount (\$1,231,446) 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 (\$6,523), library (\$2,421) and capital improvements (\$507,620).

The unassigned fund balance of the general fund decreased by \$37,038 from the prior year. The decrease was the result of increased expenditures for street improvements. The restricted fund balance of the general fund increased by \$2,125 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 income of approximately \$432,606 on a GAAP basis. Due to a decrease in expected transfers from the proprietary fund of approximately \$781,943, the actual fund balance decreased by \$37,038.

The capital projects fund balance declined by \$325,456 as a result of assets used for the construction of street improvements.

### **Proprietary Fund**

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

Unrestricted net position of the proprietary fund was \$7,761,709. Total unrestricted net position increased in 2015 by \$1,783,580. As previously described, the increase in the net position was primarily the result of electric recoveries from the Cambridge Project net of the prior period adjustment for recording the net pension liability.

### **General Fund Budgetary Highlights**

The City made revisions to the original appropriations approved by the City Council. Overall these changes resulted in increased budgeted revenues of \$209,876 or 3.6%. The increase in budgeted revenues was primarily for an increase in grants for street improvements. Budgeted expenditures were increased by \$581,761 or 8.5%. The increases in budgeted expenditures were primarily for increased street improvement projects and parks and recreation improvements.

## CAPITAL ASSET AND DEBT ADMINISTRATION

### Capital Assets

At the end of the fiscal year 2015, the City had \$55,070,688 (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 1.5% (6.8% increase for governmental activities and a .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>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
Land	\$ 476,004	\$ 476,004	\$ 694,222	\$ 694,222	\$ 1,170,226	\$ 1,170,226
Water Rights	-	-	21,900,000	22,510,000	21,900,000	22,510,000
Buildings and improvements	4,118,536	4,267,594	307,534	304,286	4,426,070	4,571,880
Equipment and fixtures	1,258,690	1,159,489	473,256	416,266	1,731,946	1,575,755
Paving, sidewalks and streets	5,418,340	4,492,650	-	-	5,418,340	4,492,650
Parks development	893,488	979,632	-	-	893,488	979,632
Airport improvements	115,015	126,215	-	-	115,015	126,215
Utility systems	-	-	19,415,603	18,839,242	19,415,603	18,839,242
<b>Total</b>	<b>\$ 12,280,073</b>	<b>\$ 11,501,584</b>	<b>\$ 42,790,615</b>	<b>\$ 42,764,016</b>	<b>\$ 55,070,688</b>	<b>\$ 54,265,600</b>

This year's major additions included:

Police Vehicles	\$ 114,391
Playground equipment and building	77,752
Various street improvements	1,419,586
Utility System Improvements	969,048
<b>Total</b>	<b>\$ 2,580,777</b>

The City's fiscal year 2016 capital budget calls for it to spend another \$2,320,500 for capital projects, principally for street improvements (\$500,000), police patrol cars (\$65,000), park improvements (\$140,000), garage improvements (\$45,000), electrical system improvements (\$500,000), and water and sewer system improvements (\$1,000,000). 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 \$8,350,000 in bonds outstanding as compared to \$9,370,000 at the end of the prior fiscal year, a decrease of 10.9% - 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>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
General obligation bonds (backed by the City)	\$ 2,500,000	\$ 3,470,000	\$ -	\$ -	\$ 2,500,000	\$ 3,470,000
Certificates of obligation (backed by the City)	5,850,000	5,900,000	-	-	5,850,000	5,900,000
<b>Totals</b>	<b>\$ 8,350,000</b>	<b>\$ 9,370,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 8,350,000</b>	<b>\$ 9,370,000</b>

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 47-48 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 2015 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 2015-2016 budget due to the uncertainty of economic trends in the national and local economies. Increases in sanitation, electric, water and sewer rates were approved by the City Council effective October 1, 2015 and are included in the 2015-2016 current fiscal budget.

The General Fund's largest revenue source continues to be sales tax receipts since the City has not levied an ad valorem property tax since 1988. Currently, sales tax revenue accounts for approximately 14% of the City's total annual operating revenue. For the fiscal year ended September 30, 2015, sales tax revenue increased by 1.7%. In the first four months of the 2015-2016 fiscal year, the City has experienced a 10.0% decrease in sales tax revenue due to the closing for 4 months of the Wal-Mart store. With the reopening the City is hopeful that sales tax revenue will return to historical levels.

As for the City's business-type activities, fees for electric, water and sewer services account for about 77.3% 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 2016 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 2016, 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, 2015**

	<b>PRIMARY GOVERNMENT</b>		
	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b><u>ASSETS</u></b>			
Cash	\$ 2,129,810	\$ 6,902,277	\$ 9,032,087
Certificates of deposit	-	1,500,000	1,500,000
Receivables:			
Returned checks receivable	3,316	30,629	33,945
Paving accounts receivable	27,199	-	27,199
Utility accounts receivable	-	1,683,315	1,683,315
Restricted assets - cash	-	117,270	117,270
Capital assets (net of accumulated depreciation):			
Land	476,004	694,222	1,170,226
Buildings and improvements	4,118,536	307,534	4,426,070
Equipment and fixtures	1,258,690	473,256	1,731,946
Paving, sidewalks and streets	5,418,340	-	5,418,340
Parks development	893,488	-	893,488
Airport improvements	115,015	-	115,015
Electrical system	-	3,825,218	3,825,218
Water system	-	9,299,885	9,299,885
Sewer system	-	6,290,500	6,290,500
Water service contract rights	-	21,900,000	21,900,000
 Total Assets	 <u>14,440,398</u>	 <u>53,024,106</u>	 <u>67,464,504</u>
<b><u>DEFERRED OUTFLOWS OF RESOURCES</u></b>			
Amounts related to pensions			
Contributions after December 31, 2014	311,960	158,861	470,821
Difference in expected and actual experience	63,493	33,233	96,726
Difference in projected and actual earnings	<u>128,251</u>	<u>67,127</u>	<u>195,378</u>
Total Deferred Outflows of Resources	<u>503,704</u>	<u>259,221</u>	<u>762,925</u>
 Combined Assets and Deferred Outflows of Resources	 <u>\$ 14,944,102</u>	 <u>\$ 53,283,327</u>	 <u>\$ 68,227,429</u>

See accompanying notes to financial statements



**CITY OF LIVINGSTON, TEXAS**  
**GOVERNMENT-WIDE STATEMENT OF NET POSITION**  
**SEPTEMBER 30, 2015**

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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	\$ 412,315	\$ 1,068,777	\$ 1,481,092
Meter deposits	-	521,508	521,508
Net pension liability	1,955,382	1,023,448	2,978,830
Noncurrent Liabilities:			
Due within one year	1,040,000	620,000	1,660,000
Due in more than one year	<u>7,310,000</u>	<u>21,280,000</u>	<u>28,590,000</u>
Total Liabilities	<u>10,717,697</u>	<u>24,513,733</u>	<u>35,231,430</u>
<b><u>NET POSITION (DEFICIT)</u></b>			
Net investment in capital assets	4,437,694	20,890,615	25,328,309
Restricted for:			
System improvements	-	61,645	61,645
Debt service	6,523	55,625	62,148
Unrestricted	<u>(217,812)</u>	<u>7,761,709</u>	<u>7,543,897</u>
Total Net Position	<u>\$ 4,226,405</u>	<u>\$ 28,769,594</u>	<u>\$ 32,995,999</u>

See accompanying notes to financial statements

**CITY OF LIVINGSTON, TEXAS**  
**GOVERNMENT-WIDE STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2015**

FUNCTIONS/PROGRAMS	Expenses	Program Revenues		
		Charges for Services	Capital Grants and Contributions	Operating Grants and Contributions
Governmental activities:				
Administrative	\$ 629,168	\$ 92,722	\$ -	\$ -
Sanitation	701,377	1,041,025	-	-
Fire	431,539	-	-	75,342
Police	1,992,910	294,900	-	-
Paving and street	1,082,684	4,156	219,600	-
Parks and recreation	1,060,084	331,809	-	-
Library	476,226	32,866	-	11,556
Garage	217,587	-	-	-
Interest on long-term debt	278,500	-	-	-
Total governmental activities	<u>6,870,075</u>	<u>1,797,478</u>	<u>219,600</u>	<u>86,898</u>
Business-type activities:				
Electric, water and sewer	14,628,936	19,551,817	-	-
Total business-type activities	<u>14,628,936</u>	<u>19,551,817</u>	<u>-</u>	<u>-</u>
Total primary government	<u>\$ 21,499,011</u>	<u>\$ 21,349,295</u>	<u>\$ 219,600</u>	<u>\$ 86,898</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>
\$ (536,446)	\$ -	\$ (536,446)
339,648	-	339,648
(356,197)	-	(356,197)
(1,698,010)	-	(1,698,010)
(858,928)	-	(858,928)
(728,275)	-	(728,275)
(431,804)	-	(431,804)
(217,587)	-	(217,587)
(278,500)	-	(278,500)
<u>(4,766,099)</u>	<u>-</u>	<u>(4,766,099)</u>
-	4,922,881	4,922,881
-	<u>4,922,881</u>	<u>4,922,881</u>
<u>(4,766,099)</u>	<u>4,922,881</u>	<u>156,782</u>
3,488,475	-	3,488,475
142,040	-	142,040
297,152	-	297,152
3,389	8,930	12,319
<u>2,347,835</u>	<u>(2,347,835)</u>	<u>-</u>
<u>6,278,891</u>	<u>(2,338,905)</u>	<u>3,939,986</u>
1,512,792	2,583,976	4,096,768
4,248,390	26,986,014	31,234,404
<u>(1,534,777)</u>	<u>(800,396)</u>	<u>(2,335,173)</u>
<u>\$ 4,226,405</u>	<u>\$ 28,769,594</u>	<u>\$ 32,995,999</u>

See accompanying notes to financial statements

**CITY OF LIVINGSTON, TEXAS  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
SEPTEMBER 30, 2015**

	<u>General</u>	<u>Debt Service</u>
<b><u>ASSETS</u></b>		
Cash	\$ 1,615,667	\$ 6,523
Receivables:		
Returned checks receivable	3,316	-
Paving accounts receivable	27,199	-
Total Assets	<u>\$ 1,646,182</u>	<u>\$ 6,523</u>
<b><u>LIABILITIES</u></b>		
Accounts payable	\$ 412,315	\$ -
Total Liabilities	<u>412,315</u>	<u>-</u>
<b><u>FUND BALANCES</u></b>		
Restricted for:		
Capital Projects	-	-
Library Memorials	2,421	-
Debt Service	-	6,523
Unassigned	1,231,446	-
Total Fund Balances	<u>1,233,867</u>	<u>6,523</u>
Total Liabilities and Fund Balances	<u>\$ 1,646,182</u>	<u>\$ 6,523</u>

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

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

Deferred outflows of resources related to pensions for contributions after the plan's  
year end and actual compared to projected investment and plan experience.

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

Net pension liability  
Bonds payable

Net position of governmental activities

See accompanying notes to financial statements

<b>Capital Projects</b>	<b>Total Governmental Funds</b>
\$ 507,620	\$ 2,129,810
-	3,316
-	<u>27,199</u>
<u>\$ 507,620</u>	<u>\$ 2,160,325</u>
\$ -	\$ 412,315
-	<u>412,315</u>
507,620	507,620
-	2,421
-	6,523
-	<u>1,231,446</u>
<u>507,620</u>	1,748,010
<u>\$ 507,620</u>	
	12,280,073
	503,704
	(1,955,382)
	<u>(8,350,000)</u>
	<u>\$ 4,226,405</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, 2015**

	<u>General</u>	<u>Debt Service</u>
<b>REVENUES</b>		
Taxes:		
Sales taxes	\$ 3,488,475	\$ -
Franchise taxes	142,040	-
Hotel/Motel taxes	297,152	-
Licenses and permits	66,122	-
Charges for service	1,290,760	-
Fines and forfeitures	280,259	-
Miscellaneous	428,956	1,148
Total Revenues	<u>5,993,764</u>	<u>1,148</u>
<b>EXPENDITURES</b>		
Current:		
Administrative	593,789	-
Sanitation	701,257	-
Fire	433,126	-
Police	2,039,483	-
Paving and street	1,706,066	-
Parks and recreation	1,027,895	-
Library	381,624	-
Garage	204,347	-
Debt service:		
Principal retirement	-	1,020,000
Interest	-	278,500
Capital outlay:		
Street improvements	-	-
Total Expenditures	<u>7,087,587</u>	<u>1,298,500</u>
Deficiency of revenues over expenditures	<u>(1,093,823)</u>	<u>(1,297,352)</u>
<b>OTHER FINANCING SOURCES (USES)</b>		
Transfers in	2,347,835	1,291,050
Transfers out	(1,291,050)	-
Total other financing sources (uses)	<u>1,056,785</u>	<u>1,291,050</u>
Net change in fund balances	(37,038)	(6,302)
Fund Balances - beginning	<u>1,270,905</u>	<u>12,825</u>
Fund Balances - ending	<u>\$ 1,233,867</u>	<u>\$ 6,523</u>

See accompanying notes to financial statements

<b>Capital Projects</b>	<b>Total Governmental Funds</b>
\$ -	\$ 3,488,475
-	142,040
-	297,152
-	66,122
-	1,290,760
-	280,259
-	430,104
-	<u>5,994,912</u>
-	593,789
-	701,257
-	433,126
-	2,039,483
-	1,706,066
-	1,027,895
-	381,624
-	204,347
-	1,020,000
-	278,500
325,456	<u>325,456</u>
<u>325,456</u>	<u>8,711,543</u>
<u>(325,456)</u>	<u>(2,716,631)</u>
-	3,638,885
-	<u>(1,291,050)</u>
-	<u>2,347,835</u>
(325,456)	(368,796)
<u>833,076</u>	<u>2,116,806</u>
<u>\$ 507,620</u>	<u>\$ 1,748,010</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, 2015**

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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	\$ (368,796)
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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.

778,488

Change in the net pension liability reported as a reduction in pension expense in the statement of activities

83,100

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.

1,020,000

Changes in net position of governmental activities

\$ 1,512,792



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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, 2015**

	Budgeted Amounts GAAP Basis		
	Original	Revisions	Final
<b>REVENUES</b>			
Taxes:			
Sales taxes	\$ 3,400,000	\$ -	\$ 3,400,000
Franchise taxes	145,000	(5,000)	140,000
Hotel/Motel taxes	315,000	(15,000)	300,000
Licenses and permits	55,500	(10,800)	44,700
Charges for service	1,239,860	32,425	1,272,285
Fines and forfeitures	279,500	11,500	291,000
Miscellaneous	381,250	196,751	578,001
Total Revenues	<u>5,816,110</u>	<u>209,876</u>	<u>6,025,986</u>
<b>EXPENDITURES</b>			
Current:			
Administrative	618,833	(785)	618,048
Sanitation	710,000	(11,640)	698,360
Fire	460,800	(9,050)	451,750
Police	2,026,229	17,296	2,043,525
Paving and street	1,508,425	422,400	1,930,825
Parks and recreation	953,340	136,985	1,090,325
Library	353,985	26,940	380,925
Garage	211,285	(385)	210,900
Total Expenditures	<u>6,842,897</u>	<u>581,761</u>	<u>7,424,658</u>
Excess of revenues over expenditures	<u>(1,026,787)</u>	<u>(371,885)</u>	<u>(1,398,672)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	1,464,587	1,665,191	3,129,778
Transfers out	(1,298,500)	-	(1,298,500)
Total other financing sources and (uses)	<u>166,087</u>	<u>1,665,191</u>	<u>1,831,278</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	<u>\$ (860,700)</u>	<u>\$ 1,293,306</u>	<u>\$ 432,606</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>
\$ 3,488,475	\$ 88,475
142,040	2,040
297,152	(2,848)
66,122	21,422
1,290,760	18,475
280,259	(10,741)
428,956	(149,045)
<u>5,993,764</u>	<u>(32,222)</u>
593,789	24,259
701,257	(2,897)
433,126	18,624
2,039,483	4,042
1,706,066	224,759
1,027,895	62,430
381,624	(699)
204,347	6,553
<u>7,087,587</u>	<u>337,071</u>
<u>(1,093,823)</u>	<u>304,849</u>
2,347,835	(781,943)
(1,291,050)	7,450
<u>1,056,785</u>	<u>(774,493)</u>
(37,038)	<u>\$ (469,644)</u>
<u>1,270,905</u>	
<u>\$ 1,233,867</u>	

See accompanying notes to financial statements

**CITY OF LIVINGSTON, TEXAS**  
**STATEMENT OF NET POSITION PROPRIETARY FUNDS**  
**SEPTEMBER 30, 2015**

**Business-Type Activities - Enterprise Fund**

**Electric  
Water and  
Sewer**

**ASSETS**

Current assets:

Cash	\$ 6,902,277
Certificates of deposit	1,500,000
Restricted assets	
Cash in bank, water and sewer system improvements	61,645
Cash in bank, reserve fund	55,625
Receivables:	
Returned checks receivable	30,629
Utility accounts receivable	<u>1,683,315</u>
Total current assets	<u>10,233,491</u>

Noncurrent assets:

Capital assets:

Land	694,222
Building and improvements	507,925
Equipment and fixtures	2,374,182
Electrical system	5,503,322
Water system	11,792,670
Sewer system	9,120,141
Water service contract rights	<u>21,900,000</u>
	51,892,462
Less accumulated depreciation	<u>(9,101,847)</u>
Net capital assets	<u>42,790,615</u>

Deferred outflows of resources:

Amounts related to pensions

Contributions after December 31, 2014	158,861
Difference in expected and actual experience	33,233
Difference in projected and actual earnings	<u>67,127</u>

Total Deferred Outflows of Resources	<u>259,221</u>
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Total Noncurrent Assets	<u>43,049,836</u>
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Total Assets	<u>\$ 53,283,327</u>
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See accompanying notes to financial statements

**CITY OF LIVINGSTON, TEXAS**  
**STATEMENT OF NET POSITION PROPRIETARY FUNDS**  
**SEPTEMBER 30, 2015**

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**Business-Type Activities - Enterprise Fund**

**Electric  
Water and  
Sewer**

**LIABILITIES**

Current liabilities:

Accounts payable	\$ 1,068,777
Meter deposits	521,508
Net pension liability	1,023,448
Contracts payable - Trinity River Authority	<u>620,000</u>
Total current liabilities	<u>3,233,733</u>

Noncurrent liabilities:

Contracts payable - Trinity River Authority	<u>21,280,000</u>
Total noncurrent liabilities	<u>21,280,000</u>
 Total liabilities	 <u>24,513,733</u>

**NET POSITION**

Net investment in capital assets	20,890,615
Restricted for water and sewer system improvements	61,645
Restricted for Trinity River Authority contracts payable	55,625
Unrestricted	<u>7,761,709</u>
 Total Net Position	 <u>\$ 28,769,594</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, 2015**

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**Business-Type Activities - Enterprise Fund**

**Electric  
Water and  
Sewer**

Operating revenues

Charges for sales and services:

Electricity sales	\$ 9,636,370
Water sales	2,608,428
Sewer service charges	1,884,952
Penalties, utilities	154,671
Water tapping fees	10,800
Sewer tapping fees	7,508
Recoveries, electrical	5,013,951
Recoveries, water	87,994
Revenue, night lights	91,162
Service fees	55,981
Total Operating Revenues	<u>19,551,817</u>

Operating expenses

Light and Power Department	9,810,953
Water Department	3,618,548
Sewer Department	709,953
Depreciation	489,482
Total Operating Expenses	<u>14,628,936</u>

Operating Income	4,922,881
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Non-operating revenues:

Interest income	<u>8,930</u>
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Income Before Transfers	4,931,811
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Transfers Out	<u>(2,347,835)</u>
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Change in net position	2,583,976
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Total net position - beginning	26,986,014
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Change in accounting	<u>(800,396)</u>
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Total net position - ending	<u>\$ 28,769,594</u>
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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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**Business-Type Activities - Enterprise Fund**

	<b><u>Electric Water and Sewer</u></b>
Cash flows from operating activities:	
Cash received from customers	\$ 19,453,438
Cash payments to suppliers for goods and services	(12,932,988)
Cash payments to employees for services	<u>(1,409,694)</u>
Net cash provided by operating activities	<u>5,110,756</u>
Cash flows from noncapital financing activities:	
Transfers from other funds	-
Transfers to other funds	<u>(2,347,835)</u>
Net cash used by noncapital financing activities	<u>(2,347,835)</u>
Cash flows from capital and related financing activities:	
Acquisition of capital assets	<u>(1,127,538)</u>
Net cash used for capital and related financing activities	<u>(1,127,538)</u>
Cash flows from investing activities:	
Interest on cash and investments	<u>8,930</u>
Net cash provided by investing activities	<u>8,930</u>
Net Change in Cash and Cash Equivalents	1,644,313
Cash and Cash Equivalents at Beginning of Year	<u>5,375,234</u>
Cash and Cash Equivalents at End of Year	<u>\$ 7,019,547</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**

**Business-Type Activities - Enterprise Fund**

	<b><u>Electric Water and Sewer</u></b>
Reconciliation of income from operations to net cash provided by operating activities:	
Income from operations	\$ 4,922,881
Adjustments to reconcile operating net income to net cash provided by operating activities:	
Depreciation	489,482
Change in operating assets and liabilities:	
Returned checks receivable	(2,796)
Utility accounts receivable	(95,583)
Deferred outflows	(95,880)
Accounts payable	(175,776)
Meter deposits	7,260
Net pension liability	61,168
Total adjustments	187,875
Net cash provided by operating activities	\$ 5,110,756
Reconciliation of total cash and cash investments:	
Unrestricted	\$ 6,902,277
Restricted	
Cash in bank, water and sewer system improvements	61,645
Cash in bank, reserve fund	55,625
Total cash and cash equivalents	\$ 7,019,547
	(Concluded)

See accompanying notes to financial statements



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

**CITY OF LIVINGSTON, TEXAS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2015**

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, 2015.

**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, 2015 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

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

### Net Position

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

### Property Tax Revenues

Property taxes are levied on October 1 based on the assessed value of property as listed on the previous January 1. Assessed values are an approximation of market value. A revaluation of all real property must be made every year. The last revaluation date was January 1, 2015.

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.

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

Interfund transactions are treated as follows:

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

Transfers from funds receiving revenues to funds through which the resources are to be expended are classified as transfers. Major transactions that fall into this category include transfers to the General Fund from the Electric, Water and Sewer Fund 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, 2015:

<u>Fund</u>	<u>Transfer In</u>	<u>Transfer Out</u>
General Fund	\$ 2,347,835	\$ 1,291,050
Debt Service Fund	1,291,050	-
Electric, Water and Sewer Fund	-	2,347,835
Total	<u>\$ 3,638,885</u>	<u>\$ 3,638,885</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.

**Change In Accounting**

Under the provisions of GASB 68, first effective for the City for the year ended September 30, 2015, the City must report the net pension liability, pension expense, and deferred inflows and outflows of resources associated with providing retirement benefits to employees (and former employees) in the basic financial statements. The recording of the net pension liability at the beginning of the fiscal year is reflected 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 \$1,534,777 for the general fund and \$800,396 for the electric, water and sewer fund. The charge to the general fund resulted in a deficit in unrestricted net position at September 30, 2015.

**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, 2015, the City had the following investments:

Investment Type	Fair Value	Weighted Average Maturity (Years)
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, 2015 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, 2015.

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 2015.



**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, 2015:

Governmental funds capital outlays	\$ 1,820,144
Governmental funds depreciation expense	<u>(1,041,656)</u>
Amount by which capital outlays exceeded depreciation	<u>\$ 778,488</u>
Pension Expense based on contributions	\$415,565
Pension Expense based on change in net pension liability	<u>(332,465)</u>
Amount by which pension contributions exceed pension expense	<u>\$ 83,100</u>
Repayment of principal of long-term debt	\$ 1,020,000
Total bonds issued and repayment of bonds	<u>\$ 1,020,000</u>

**NOTE 6 CAPITAL ASSETS:**

Capital asset activity for the year ended September 30, 2015 was as follows:

	Balance October 1, 2014	Additions	Retirements/ Adjustments	Balance September 30, 2015
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	6,437,343	53,087	-	6,490,430
Equipment and Fixtures	5,460,304	347,471	-	5,807,775
Paving, Sidewalks and Streets	14,467,605	1,419,586	-	15,887,191
Parks Development	3,472,336	-	-	3,472,336
Airport Improvements	<u>719,574</u>	<u>-</u>	<u>-</u>	<u>719,574</u>
Total capital assets being depreciated	<u>30,557,162</u>	<u>1,820,144</u>	<u>-</u>	<u>32,377,306</u>
Less accumulated depreciation for:				
Buildings and Improvements	(2,169,749)	(202,146)	1	(2,371,894)
Equipment and Fixtures	(4,300,815)	(248,270)	-	(4,549,085)
Paving, Sidewalks and Streets	(9,974,955)	(493,896)	-	(10,468,851)
Parks Development	(2,492,704)	(86,144)	-	(2,578,848)
Airport Improvements	<u>(593,359)</u>	<u>(11,200)</u>	<u>-</u>	<u>(604,559)</u>
Total accumulated depreciation	<u>(19,531,582)</u>	<u>(1,041,656)</u>	<u>1</u>	<u>(20,573,237)</u>
Total capital assets being depreciated, net	<u>11,025,580</u>	<u>778,488</u>	<u>(1)</u>	<u>11,804,069</u>
Governmental activities capital assets, net	<u>\$ 11,501,584</u>	<u>\$ 778,488</u>	<u>\$ (1)</u>	<u>\$ 12,280,073</u>

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

	Balance October 1, 2014	Additions	Retirements/ Adjustments	Balance September 30, 2015
Business-type Activities:				
Capital assets not being depreciated				
Land	\$ 694,222	\$ -	\$ -	\$ 694,222
Water Service Contract Rights	22,510,000	-	610,000	21,900,000
	<u>23,204,222</u>	<u>-</u>	<u>610,000</u>	<u>22,594,222</u>
Capital assets being depreciated				
Building and Improvements	493,545	14,380	-	507,925
Equipment and Fixtures	2,231,529	144,110	165	2,375,474
Electrical System	5,351,823	155,058	-	5,506,881
Water System	11,409,609	379,502	-	11,789,111
Sewer System	8,685,654	434,488	1,293	9,118,849
Total capital assets being depreciated	<u>28,172,160</u>	<u>1,127,538</u>	<u>1,458</u>	<u>29,298,240</u>
Less accumulated depreciation for:				
Building and Improvements	(189,259)	(11,133)	1	(200,391)
Equipment and Fixtures	(1,815,263)	(86,955)	-	(1,902,218)
Electrical System	(1,598,063)	(83,600)	-	(1,681,663)
Water System	(2,315,214)	(174,012)	-	(2,489,226)
Sewer System	<u>(2,694,567)</u>	<u>(133,782)</u>	<u>-</u>	<u>(2,828,349)</u>
Total accumulated depreciation	<u>(8,612,366)</u>	<u>(489,482)</u>	<u>1</u>	<u>(9,101,847)</u>
Total capital assets being depreciated, net	<u>19,559,794</u>	<u>638,056</u>	<u>1,457</u>	<u>20,196,393</u>
Business-type activities capital assets, net	<u>\$ 42,764,016</u>	<u>\$ 638,056</u>	<u>\$ 611,457</u>	<u>\$ 42,790,615</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 2015, net interest costs were not capitalized because interest expenditures related to constructed assets net of related interest revenue were not material.

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

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

Governmental Activities	
Administrative	\$ 47,946
Sanitation	120
Fire	38,040
Police	113,770
Paving and street	554,229
Parks and recreation	136,544
Library	131,244
Garage	19,763
Governmental Activities	<u>\$ 1,041,656</u>
Business-type activities	
Electric, Water and Street	<u>\$ 489,482</u>

The City's had no active construction projects as of September 30, 2015, but has plans for spending up to \$500,000 for street and \$1,000,000 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 administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the System with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS's defined benefit pension plan is a tax-qualified plan under Section 401 (a) of the Internal Revenue Code. TMRS issues a publicly available comprehensive annual financial report (CAFR) that can be obtained at [www.tmrs.com](http://www.tmrs.com). All eligible employees of the City are required to participate in TMRS.

Benefits Provided

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

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

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

employee's salary had always been the average of his salary in the last three years that are one year before the effective date. At retirement, the benefit is calculated as if the sum of the employee's accumulated contributions with interest and the employer-financed monetary credits with interest were used to purchase an annuity.

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

The TMRS Board determined that the Entry Age Normal Cost method should be used effective December 31, 2013, which produces contribution rates that are more predictable and that exhibit less volatility than those produced under the previous Projected Unit Credit method. In addition, the City adopted a 25-year closed period for amortization with 18 years remaining.

Employees covered by benefit terms at the December 31, 2014 valuation and measurement date are as follows:

Inactive employees or beneficiaries currently receiving benefits	35
Inactive employees entitled to but not yet receiving benefits	12
Active employees	<u>83</u>
Total	<u>130</u>

**Contributions**

The contribution rate for the employees is 7%, and the City matching ratio is currently 2 to 1, both as adopted by the governing body of the City. Under the state law governing TMRS, the actuary annually determines the City's contribution rate. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City's contributions to TMRS for the year ended September 30, 2015, were \$621,614, and were equal to the required contributions.

**Net Pension Liability**

The City's Net Pension Liability (NPL) was measured as of December 31, 2014 and the Total Pension Liability (TPL) used to calculate the NPL was determined by an actuarial valuation as of that date.

The TPL in the December 31, 2014 actuarial valuation was determined using the following actuarial assumptions:

Inflation	3.0% per year
Overall payroll growth	3.0% per year
Investment Rate of Return	7.0% net of pension plan investment expense, including inflation

Salary increases were based on a service related table. Mortality rates for active members, retirees, and beneficiaries were based on the gender-distinct RP2000 Combined Healthy Mortality Table, with male rates multiplied by 109% and female rates multiplied by 103%. The rates are projected on fully generational basis by scale BB to account for future mortality improvements. For disabled annuitants, the gender distinct RP200 Disabled Retiree Mortality Table is used, with slight adjustments.

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

Actuarial assumptions used in the December 31, 2014 valuation were based on the results of actuarial experience studies. The experience study in TMRS was for the period January 1, 2006 through December 31, 2009, first used in the December 31, 2010 valuation. Healthy post-retirement mortality rates and annuity purchase rates were updated based on a Mortality Experience Investigation Study covering 2009 through 2011, and dated December 31, 2013. These assumptions were first used in the December 31, 2013 valuation, along with a change to the Entry Age Normal (EAN) actuarial cost method. Assumptions are reviewed annually. No additional changes were made for the 2014 valuation.

The long-term expected rate of return on pension plan investments is 7.0%. The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the TMRS Board of Trustees. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income, in order to satisfy the short-term and long-term funding needs of TMRS.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	17.5%	4.80%
International Equity	17.5%	6.05%
Core Fixed Income	30.0%	1.50%
Non-Core Fixed Income	10.0%	3.50%
Real Return	5.0%	1.75%
Real Estate	10.0%	5.25%
Absolute Return	5.0%	4.25%
Private Equity	<u>5.0%</u>	8.50%
Total	<u>100.0%</u>	

The discount rate used to measure the TPL was 7.0%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the TPL.

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

<u>Changes in Net Pension Liability</u>	<u>Total Pension Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net Pension Liability</u>
Balance at 12/31/13	\$ 21,889,894	\$ 19,089,100	\$ 2,800,794
Changes for the year:			
Service cost	496,383	-	496,383
Interest	1,523,437	-	1,523,437
Change of benefit terms	-	-	-
Difference between expected and actual experience	117,800	-	117,800
Changes in assumptions	-	-	-
Contributions - Employer	-	624,014	(624,014)
Contributions - Employee	-	255,893	(255,893)
Net Investment Income	-	1,092,015	(1,092,015)
Benefit payments, including refunds of employee contributions	(749,395)	(749,395)	-
Administrative expense	-	(11,401)	11,401
Other changes	-	(937)	937
Net changes	<u>1,388,225</u>	<u>1,210,189</u>	<u>178,036</u>
Balance at 12/31/14	<u>\$ 23,278,119</u>	<u>\$ 20,299,289</u>	<u>\$ 2,978,830</u>

The following presents the net pension liability of the City, calculated using the discount rate of 7.0% as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.0%) or 1-percentage-point higher (8.0%) than the current rate:

	<u>1% Decrease 6.00%</u>	<u>Current Single Rate Assumption 7.00%</u>	<u>1% Increase 8.00%</u>
City's net pension liability	\$ 6,187,233	\$ 2,978,830	\$ 331,453

Detailed information about the pension plan's Fiduciary Net Position is available in a separately-issued TMRS financial report available at the website previously mentioned.

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

For the year ended September 30, 2015, the City recognized pension expense of \$509,946. At September 30, 2015, the City reported deferred outflows or resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>
Difference between expected and actual economic experience	\$ 96,726
Difference between projected and actual investment earnings	195,378
Contributions subsequent to the measurement date (December 31, 2014)	<u>470,821</u>
Total	<u>\$ 762,925</u>

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

\$470,821 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ending September 30, 2015. Other amounts reported as deferred outflows of resources related to pensions will be recognized in pension expense as follows:

	Net deferred outflows of resources
2015	\$ 69,918
2016	69,918
2017	69,918
2018	69,920
2019	12,430
Thereafter	-
Total	<u>\$ 292,104</u>

**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 website above.

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 proceeding 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 2014 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, 2015, 2014, and 2013 were \$12,117, \$9,432, and \$8,145, respectively, which equaled the required contributions each year. The valuation date for the plan is December 31, 2014 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, 2015:

	<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	\$ 1,640,000
\$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	5,850,000
\$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>860,000</u>
Total Bonds Payable	<u>\$ 8,350,000</u>

**Changes in Outstanding Debt-**

	<u>Balance October 1, 2014</u>	<u>Payments or Expenditures</u>	<u>Balance September 30, 2015</u>	<u>Due Within One Year</u>
<u>Governmental Type Activities</u>				
General Obligation Bonds	\$ 3,470,000	\$ 970,000	\$ 2,500,000	\$990,000
Certificates of Obligation	<u>5,900,000</u>	<u>50,000</u>	<u>5,850,000</u>	<u>50,000</u>
Total government	<u>\$ 9,370,000</u>	<u>\$ 1,020,000</u>	<u>\$ 8,350,000</u>	<u>\$ 1,040,000</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.



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

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.

**Annual Requirements to Retire Debt Obligations-**

The annual aggregate maturities for each bond type for the years subsequent to September 30, 2015, are as follows:

**General Obligation Bonds**

Year Ending Sept. 30,	Governmental Activities		
	Principal	Interest	Total
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>\$ 2,500,000</u>	<u>\$ 100,000</u>	<u>\$ 2,600,000</u>

**Certificates of Obligation**

Year Ending Sept. 30,	Governmental Activities		
	Principal	Interest	Total
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	230,000	180,840	410,840
2021-2037	5,250,000	1,693,230	6,943,230
Total	<u>\$ 5,850,000</u>	<u>\$ 2,636,370</u>	<u>\$ 8,486,370</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, 2015, the City paid approximately \$1,587,523 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>
2016	1,579,562
2017	1,581,363
2018	1,582,312
2019	1,582,663
2020	1,577,412
2021-2034	28,107,650
Total	<u>\$ 36,010,962</u>

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

	<u>Balance October 1, 2014</u>	<u>Issues or Additions</u>	<u>Payments or Expenditures</u>	<u>Balance September 30, 2015</u>	<u>Due Within One Year</u>
<u>Business Type Activities</u>					
Contracts payable	\$ 22,510,000	\$ -	\$ 610,000	\$ 21,900,000	\$ 620,000
Total business	<u>\$ 22,510,000</u>	<u>\$ -</u>	<u>\$ 610,000</u>	<u>\$ 21,900,000</u>	<u>\$ 620,000</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 2015. Reflected in the revenues for the Electric, Water and Sewer Fund is an approximate \$29,440 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 \$4,211,558 (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 \$722,950.

**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, 2015 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 \$220,000 in federal and local grants in 2015 principally related to street improvements. These amounts are included in miscellaneous income for the general fund.

**NOTE 16 RISK MANAGEMENT:**

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

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

**NOTE 17 SANITATION DEPARTMENT CONTRACT:**

The City'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 commencing September 6, 2015. Under the terms of the lease, the City will receive \$1.00 per year in rent.

## **REQUIRED SUPPLEMENTARY INFORMATION**

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

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	<u>2014</u>
<b>Total pension liability</b>	
Service Cost	\$ 496,383
Interest (on the Total Pension Liability)	1,523,437
Changes of benefit terms	-
Difference between expected and actual experience	117,800
Change of assumptions	-
Benefit payments, including refunds of employee contributions	<u>(749,395)</u>
<b>Net Change in Total Pension Liability</b>	1,388,225
<b>Total Pension Liability - Beginning</b>	<u>21,889,894</u>
<b>Total Pension Liability - Ending</b>	<u>\$ 23,278,119</u>
<b>Plan Fiduciary Net Position</b>	
Contributions Employer	\$ 624,014
Contributions Employee	255,893
Net Investment Income	1,092,015
Benefit payments, including refunds of employee contributions	(749,395)
Administrative Expense	(11,401)
Other	<u>(937)</u>
<b>Net Change in Plan Fiduciary Net Position</b>	1,210,189
<b>Plan Fiduciary Net Position - Beginning</b>	<u>19,089,100</u>
<b>Plan Fiduciary Net Position - Ending</b>	<u>\$ 20,299,289</u>
<b>Net Pension Liability - Ending</b>	\$ 2,978,830
<b>Plan Fiduciary Net Position as a percentage of Total Pension Liability</b>	87.20%
<b>Covered Employee Payroll</b>	\$ 3,655,618
<b>Net Pension Liability as a Percentage of Covered Employee Payroll</b>	81.49%

See independent auditor's report.

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

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	<u>2014</u>
Actuarially Determined Contribution	\$ 621,614
Contributions in relation to the actuarially determined contribution	<u>621,614</u>
Contribution deficiency (excess)	\$ <u>-</u>
Covered employee payroll	\$ 3,655,618
Contributions as a percentage of covered employee payroll	17.00%

**Notes to Schedule of Contributions**

**Valuation Date:**

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

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

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	18 years
Asset Valuation Method	10 Year smoothed market; 15% soft Corridor
Inflation	3.00%
Salary Increases	3.5% to 12.0% including inflation
Investment Rate of Return	7.00%
Retirement Age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2010 valuation pursuant to an experience study of the period 2005-2009.
Mortality	RP2000 Combined Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% and projected on a fully generational basis with scale BB

**Other Information:**

There were no benefit changes during the year.

See Independent auditor's report.

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**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, 2015**

	<b>Budgeted Amounts GAAP Basis</b>		
	<b>Original</b>	<b>Revisions</b>	<b>Final</b>
<b>REVENUES</b>			
Miscellaneous	\$ -	\$ -	\$ -
Total Revenues	-	-	-
<b>EXPENDITURES</b>			
Debt service:			
Principal retirement	1,020,000	-	1,020,000
Interest	278,500	-	278,500
Total Expenditures	1,298,500	-	1,298,500
Excess (deficiency) of revenues over expenditures	(1,298,500)	-	(1,298,500)
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	1,298,500	-	1,298,500
Total other financing sources	1,298,500	-	1,298,500
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	\$ -	\$ -	\$ -
Fund balances at beginning of year			
Fund balance at end of year			

<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>	
\$ 1,148	\$ 1,148	
<u>1,148</u>	<u>1,148</u>	
1,020,000	-	1,308,338
278,500	-	<u>1,308,338</u>
<u>1,298,500</u>	<u>-</u>	
(1,297,352)	<u>1,148</u>	
1,291,050	(7,450)	
<u>1,291,050</u>	<u>(7,450)</u>	
(6,302)	<u>\$ (6,302)</u>	
<u>12,825</u>		
<u>\$ 6,523</u>		

**CITY OF LIVINGSTON, TEXAS  
BUDGETARY COMPARISON SCHEDULE  
CAPITAL PROJECTS FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	Budgeted Amounts GAAP Basis		
	Original	Revisions	Final
<u>EXPENDITURES</u>			
Capital outlay:			
Street improvements	(593,000)	-	(593,000)
Total Expenditures	(593,000)	-	(593,000)
Excess of expenditures over revenues	\$ (593,000)	\$ -	\$ (593,000)
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	\$ (593,000)	\$ -	\$ (593,000)
Fund balance at beginning of year			
Fund balance at end of year			

<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<u>(325,456)</u>	<u>267,544</u>
<u>(325,456)</u>	<u>267,544</u>
<u>(325,456)</u>	<u>267,544</u>
<u>(325,456)</u>	<u>\$ 267,544</u>
<u>833,076</u>	
<u>\$ 507,620</u>	

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

## GENERAL FUND



**CITY OF LIVINGSTON, TEXAS  
GENERAL FUND - COMPARATIVE BALANCE SHEET  
SEPTEMBER 30, 2015 AND 2014**

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**ASSETS**

	<u>2015</u>	<u>2014</u>
Cash	\$ 1,615,667	\$ 1,495,953
Receivables:		
Returned checks receivable	3,316	3,214
Paving accounts receivable	<u>27,199</u>	<u>29,374</u>
Total Assets	<u>\$ 1,646,182</u>	<u>\$ 1,528,541</u>

**LIABILITIES AND FUND BALANCES**

**LIABILITIES**

Accounts payable	\$ 412,315	\$ 257,636
Total Liabilities	<u>412,315</u>	<u>257,636</u>

**FUND BALANCES**

Restricted for library memorials	2,421	296
Unassigned	<u>1,231,446</u>	<u>1,270,609</u>
Total Fund Balances	<u>1,233,867</u>	<u>1,270,905</u>
Total Liabilities and Fund Balances	<u>\$ 1,646,182</u>	<u>\$ 1,528,541</u>

**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, 2015**  
**WITH COMPARATIVE ACTUAL TOTALS FOR 2014**

	Budgeted Amounts GAAP Basis			
	Original	Revisions	Final	Actual
<b>REVENUES</b>				
Taxes:				
Sales taxes	\$ 3,400,000	\$ -	\$ 3,400,000	\$ 3,488,475
Franchise taxes	145,000	(5,000)	140,000	142,040
Hotel/Motel taxes	315,000	(15,000)	300,000	297,152
Licenses and permits	55,500	(10,800)	44,700	66,122
Charges for service	1,239,860	32,425	1,272,285	1,290,760
Fines and forfeitures	279,500	11,500	291,000	280,259
Miscellaneous	381,250	196,751	578,001	428,956
Total Revenues	<u>5,816,110</u>	<u>209,876</u>	<u>6,025,986</u>	<u>5,993,764</u>
<b>EXPENDITURES</b>				
Administrative	618,833	(785)	618,048	593,789
Sanitation	710,000	(11,640)	698,360	701,257
Fire	460,800	(9,050)	451,750	433,126
Police	2,026,229	17,296	2,043,525	2,039,483
Paving and street	1,508,425	422,400	1,930,825	1,706,066
Parks and recreation	953,340	136,985	1,090,325	1,027,895
Library	353,985	26,940	380,925	381,624
Garage	211,285	(385)	210,900	204,347
Total Expenditures	<u>6,842,897</u>	<u>581,761</u>	<u>7,424,658</u>	<u>7,087,587</u>
Excess of revenues over expenditures	<u>(1,026,787)</u>	<u>(371,885)</u>	<u>(1,398,672)</u>	<u>(1,093,823)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	1,464,587	1,665,191	3,129,778	2,347,835
Transfers out	<u>(1,298,500)</u>	<u>-</u>	<u>(1,298,500)</u>	<u>(1,291,050)</u>
Total other financing sources (uses)	<u>166,087</u>	<u>1,665,191</u>	<u>1,831,278</u>	<u>1,056,785</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	<u>\$ (860,700)</u>	<u>\$ 1,293,306</u>	<u>\$ 432,606</u>	<u>(37,038)</u>
Fund balances at beginning of year				<u>1,270,905</u>
Fund balances at end of year				<u>\$ 1,233,867</u>

<b>Variance With Final Budget Positive (Negative)</b>	<b>2014 Actual</b>
\$ 88,475	\$ 3,431,399
2,040	135,253
(2,848)	318,487
21,422	78,737
18,475	1,311,551
(10,741)	261,363
(149,045)	87,181
<u>(32,222)</u>	<u>5,623,971</u>
24,259	579,561
(2,897)	705,087
18,624	416,497
4,042	1,879,960
224,759	627,977
62,430	993,480
(699)	364,963
6,553	206,646
<u>337,071</u>	<u>5,774,171</u>
<u>304,849</u>	<u>(150,200)</u>
(781,943)	1,920,058
7,450	(1,356,709)
<u>(774,493)</u>	<u>563,349</u>
\$ <u>(469,644)</u>	413,149
	<u>857,756</u>
	<u>\$ 1,270,905</u>

**CITY OF LIVINGSTON, TEXAS  
GENERAL FUND  
SCHEDULE OF EXPENDITURES-BUDGET (GAAP BASIS) AND ACTUAL  
FOR THE YEAR ENDED SEPTEMBER 30, 2015  
WITH COMPARATIVE ACTUAL TOTALS FOR 2014**

	Budgeted Amounts GAAP Basis			
	Original	Revisions	Final	Actual
ADMINISTRATIVE DEPARTMENT				
Salaries	\$ 185,000	\$ -	\$ 185,000	\$ 185,434
Social Security	14,578	-	14,578	14,580
Retirement	85,500	-	85,500	85,138
Employee insurance	73,700	300	74,000	73,085
Insurance and bonds	9,975	(975)	9,000	8,894
Legal and professional	16,000	(1,000)	15,000	8,986
Auditing and accounting	11,000	120	11,120	11,117
Supplies	25,000	-	25,000	21,485
Repairs-building and grounds	35,000	(12,500)	22,500	17,587
Equipment repairs and maintenance	5,000	2,500	7,500	9,672
Gas and oil	3,080	(480)	2,600	2,202
Utility/telephone	13,500	-	13,500	13,045
Dues and subscriptions	17,000	(1,500)	15,500	11,103
Building demolitions	7,000	(7,000)	-	7,200
Transportation and contingency	73,000	15,000	88,000	89,183
Postage and miscellaneous	34,500	4,750	39,250	31,395
	608,833	(785)	608,048	590,106
Capital expenditures	10,000	-	10,000	3,683
Total Administrative	618,833	(785)	618,048	593,789
SANITATION DEPARTMENT				
Supplies	65,000	(1,640)	63,360	63,360
Refuse disposal/landfills	645,000	(10,000)	635,000	637,897
Total Sanitation	710,000	(11,640)	698,360	701,257

<b>Variance With Final Budget Positive (Negative)</b>	<b>2014 Actual</b>
\$ (434)	\$ 178,371
(2)	14,062
362	83,246
915	69,565
106	9,892
6,014	14,377
3	10,807
3,515	28,049
4,913	7,933
(2,172)	13,419
398	2,726
455	12,489
4,397	15,479
(7,200)	7,875
(1,183)	74,979
<u>7,855</u>	<u>25,961</u>
17,942	569,230
<u>6,317</u>	<u>10,331</u>
<u>24,259</u>	<u>579,561</u>
-	61,089
<u>(2,897)</u>	<u>643,998</u>
<u>(2,897)</u>	<u>705,087</u>

**CITY OF LIVINGSTON, TEXAS  
GENERAL FUND  
SCHEDULE OF EXPENDITURES-BUDGET (GAAP BASIS) AND ACTUAL  
FOR THE YEAR ENDED SEPTEMBER 30, 2015  
WITH COMPARATIVE ACTUAL TOTALS FOR 2014**

	<b>Budgeted Amounts GAAP Basis</b>			<b>Actual</b>
	<b>Original</b>	<b>Revisions</b>	<b>Final</b>	
<b>FIRE DEPARTMENT</b>				
Salaries	147,000	-	147,000	140,847
Salaries, administration	33,000	-	33,000	32,591
Social Security	10,600	-	10,600	10,316
Retirement	17,600	(600)	17,000	17,187
Employee insurance	26,000	(6,000)	20,000	18,754
Insurance and bonds	29,400	(3,400)	26,000	25,692
Recruitment costs	1,500	-	1,500	-
Supplies	35,000	-	35,000	40,407
Repairs-building and grounds	3,500	(2,000)	1,500	710
Equipment repairs and maintenance	38,000	12,000	50,000	53,815
Gas and oil	11,000	(2,500)	8,500	8,233
Utility/telephone	11,500	-	11,500	10,663
Dues and subscriptions	3,500	(500)	3,000	2,627
Transportation and contingency	15,000	(4,000)	11,000	10,097
Maintenance contribution	24,500	(2,000)	22,500	22,085
Postage and miscellaneous	3,700	(50)	3,650	2,911
	410,800	(9,050)	401,750	396,935
Capital expenditures	50,000	-	50,000	36,191
<b>Total Fire</b>	<b>460,800</b>	<b>(9,050)</b>	<b>451,750</b>	<b>433,126</b>
<b>POLICE DEPARTMENT</b>				
Salaries	1,115,000	(15,000)	1,100,000	1,100,690
Salaries, administration	33,000	-	33,000	32,591
Social Security	87,850	(350)	87,500	88,356
Retirement	185,200	(5,200)	180,000	182,245
Employee insurance	184,000	(4,000)	180,000	180,507
Uniforms	3,000	(500)	2,500	2,715
Insurance and bonds	57,929	(4,929)	53,000	59,042
Supplies	23,000	-	23,000	20,147
Repairs-building and grounds	35,000	20,000	55,000	56,342
Equipment repairs and maintenance	37,500	7,500	45,000	42,373
Gas and oil	66,000	(11,000)	55,000	46,964
Utility/telephone	15,000	-	15,000	14,877
Dues and subscriptions	350	(50)	300	245
Transportation and contingency	33,000	(2,000)	31,000	29,539
Postage and miscellaneous	25,400	2,825	28,225	25,792
	1,901,229	(12,704)	1,888,525	1,882,425
Capital expenditures	125,000	30,000	155,000	157,058
<b>Total Police</b>	<b>2,026,229</b>	<b>17,296</b>	<b>2,043,525</b>	<b>2,039,483</b>

<b>Variance With Final Budget Positive (Negative)</b>	<b>2014 Actual</b>
6,153	139,916
409	31,510
284	10,217
(187)	17,434
1,246	24,450
308	26,914
1,500	-
(5,407)	38,583
790	1,030
(3,815)	42,070
267	10,636
837	11,559
373	3,060
903	10,841
415	22,476
739	2,408
4,815	393,104
13,809	23,393
18,624	416,497
(690)	1,072,877
409	31,510
(856)	85,883
(2,245)	179,986
(507)	168,209
(215)	1,263
(6,042)	51,822
2,853	22,966
(1,342)	17,211
2,627	50,217
8,036	51,930
123	14,290
55	328
1,461	30,912
2,433	22,679
6,100	1,802,083
(2,058)	77,877
4,042	1,879,960

**CITY OF LIVINGSTON, TEXAS  
GENERAL FUND  
SCHEDULE OF EXPENDITURES-BUDGET (GAAP BASIS) AND ACTUAL  
FOR THE YEAR ENDED SEPTEMBER 30, 2015  
WITH COMPARATIVE ACTUAL TOTALS FOR 2014**

	Budgeted Amounts GAAP Basis			
	Original	Revisions	Final	Actual
PAVING AND STREET DEPARTMENT				
Salaries	242,500	-	242,500	246,770
Salaries, administration	33,000	-	33,000	32,591
Social Security	21,075	-	21,075	21,385
Retirement	40,500	-	40,500	41,063
Employee insurance	53,250	100	53,350	52,432
Uniforms	3,650	350	4,000	4,831
Insurance and bonds	28,350	(2,750)	25,600	24,651
Supplies	25,000	(5,000)	20,000	25,619
Repairs-building and grounds	1,500	10,000	11,500	10,103
Equipment repairs and maintenance	28,000	2,000	30,000	42,880
Gas and oil	36,300	(5,300)	31,000	26,108
Transit system	4,200	-	4,200	4,200
Transportation and contingency	9,100	(2,000)	7,100	4,034
	526,425	(2,600)	523,825	536,667
Capital expenditures	982,000	425,000	1,407,000	1,169,399
Total Paving and Street	1,508,425	422,400	1,930,825	1,706,066
PARKS AND RECREATION DEPARTMENT				
Salaries	348,025	5,475	353,500	355,346
Salaries, administration	66,000	-	66,000	65,182
Social Security	31,675	375	32,050	32,104
Retirement	52,000	(1,800)	50,200	51,594
Employee insurance	64,000	6,000	70,000	67,308
Uniforms	5,000	-	5,000	5,187
Insurance and bonds	20,565	(555)	20,010	19,160
Advertising, hotel tax	80,000	(5,000)	75,000	64,046
Supplies	61,000	(500)	60,500	55,694
Repairs-building and grounds	81,000	2,600	83,600	106,962
Equipment repairs and maintenance	20,500	21,350	41,850	46,636
Gas and oil	62,425	(16,025)	46,400	39,808
Utility/telephone	20,100	(800)	19,300	17,340
Dues and subscriptions	200	75	275	298
Transportation and contingency	2,900	200	3,100	2,711
Programming costs	2,000	(1,000)	1,000	1,863
Postage and miscellaneous	950	1,590	2,540	2,625
	918,340	11,985	930,325	933,864
Capital expenditures	35,000	125,000	160,000	94,031
Total Parks and Recreation	953,340	136,985	1,090,325	1,027,895



<b>Variance With Final Budget Positive (Negative)</b>	<b>2014 Actual</b>
(4,270)	223,130
409	31,510
(310)	19,501
(563)	37,759
918	41,801
(831)	3,482
949	26,970
(5,619)	24,285
1,397	6,054
(12,880)	32,074
4,892	31,653
-	4,200
3,066	3,659
(12,842)	486,078
237,601	141,899
224,759	627,977
(1,846)	332,196
818	63,020
(54)	30,183
(1,394)	44,672
2,692	51,610
(187)	3,895
850	19,880
10,954	74,984
4,806	61,302
(23,362)	8,194
(4,786)	19,265
6,592	69,752
1,960	17,779
(23)	173
389	2,692
(863)	1,150
(85)	1,292
(3,539)	802,039
65,969	191,441
62,430	993,480

**CITY OF LIVINGSTON, TEXAS  
GENERAL FUND  
SCHEDULE OF EXPENDITURES-BUDGET (GAAP BASIS) AND ACTUAL  
FOR THE YEAR ENDED SEPTEMBER 30, 2015  
WITH COMPARATIVE ACTUAL TOTALS FOR 2014**

	Budgeted Amounts GAAP Basis			Actual
	Original	Revisions	Final	
<b>LIBRARY DEPARTMENT</b>				
Salaries	166,000	-	166,000	164,752
Salaries, administration	33,000	-	33,000	32,591
Social Security	15,225	-	15,225	15,064
Retirement	27,800	-	27,800	27,561
Employee insurance	40,000	-	40,000	39,964
Insurance and bonds	7,060	(60)	7,000	6,644
Supplies	12,000	4,000	16,000	14,835
Repairs-building and grounds	2,500	16,000	18,500	18,629
Equipment repairs and maintenance	2,500	6,000	8,500	7,986
Utility/telephone	10,500	-	10,500	8,145
Dues and subscriptions	3,800	(50)	3,750	3,141
Transportation and contingency	1,100	900	2,000	1,992
Postage and printing	6,500	150	6,650	9,190
	327,985	26,940	354,925	350,494
Memorial capital	6,000	-	6,000	18,939
Capital expenditures	20,000	-	20,000	12,191
<b>Total Library</b>	<b>353,985</b>	<b>26,940</b>	<b>380,925</b>	<b>381,624</b>
<b>GARAGE DEPARTMENT</b>				
Salaries	99,500	500	100,000	100,617
Salaries, administration	33,000	-	33,000	32,590
Social Security	10,150	350	10,500	10,157
Retirement	16,350	150	16,500	16,634
Employee insurance	16,000	-	16,000	15,988
Uniforms	1,400	-	1,400	1,353
Insurance and bonds	8,685	(185)	8,500	8,041
Supplies	6,500	(500)	6,000	4,599
Repairs-building and grounds	2,000	(1,000)	1,000	95
Equipment repairs and maintenance	5,000	1,000	6,000	4,954
Gas and oil	1,650	(200)	1,450	1,161
Utility/telephone	6,050	(500)	5,550	4,962
	206,285	(385)	205,900	201,151
Capital expenditures	5,000	-	5,000	3,196
<b>Total Garage</b>	<b>211,285</b>	<b>(385)</b>	<b>210,900</b>	<b>204,347</b>
<b>TOTAL GENERAL EXPENDITURES</b>	<b>\$ 6,842,897</b>	<b>\$ 581,761</b>	<b>\$ 7,424,658</b>	<b>\$ 7,087,587</b>

<b>Variance With Final Budget Positive (Negative)</b>	<b>2014 Actual</b>
1,248	159,613
409	31,511
161	14,595
239	27,163
36	37,390
356	8,197
1,165	24,498
(129)	9,983
514	5,255
2,355	10,151
609	4,231
8	1,047
<u>(2,540)</u>	<u>2,130</u>
4,431	335,764
(12,939)	13,543
<u>7,809</u>	<u>15,656</u>
<u>(699)</u>	<u>364,963</u>
(617)	96,977
410	31,510
343	9,804
(134)	16,195
12	14,956
47	1,301
459	8,444
1,401	5,696
905	54
1,046	6,626
289	1,357
<u>588</u>	<u>5,787</u>
4,749	198,707
<u>1,804</u>	<u>7,939</u>
<u>6,553</u>	<u>206,646</u>
<u>\$ 337,071</u>	<u>\$ 5,774,171</u>

## DEBT SERVICE FUND

**CITY OF LIVINGSTON, TEXAS  
DEBT SERVICE FUND - COMPARATIVE BALANCE SHEET  
SEPTEMBER 30, 2015 AND 2014**

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**ASSETS**

	<u>2015</u>	<u>2014</u>
Cash	\$ 6,523	\$ 12,825
Total Assets	<u>\$ 6,523</u>	<u>\$ 12,825</u>

**FUND BALANCES**

Restricted for debt service	\$ 6,523	\$ 12,825
Total Fund Balance	<u>\$ 6,523</u>	<u>\$ 12,825</u>

**CITY OF LIVINGSTON, TEXAS  
DEBT SERVICE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED SEPTEMBER 30, 2015  
WITH COMPARATIVE ACTUAL TOTALS FOR 2014**

	<b>Budgeted Amounts GAAP Basis</b>		
	<b>Original</b>	<b>Revisions</b>	<b>Final</b>
<b>REVENUES</b>			
Miscellaneous	\$ -	\$ -	\$ -
Total Revenues	-	-	-
<b>EXPENDITURES</b>			
Debt service:			
Principal retirement	1,020,000	-	1,020,000
Interest	278,500	-	278,500
Total Expenditures	1,298,500	-	1,298,500
Excess (deficiency) of revenues over expenditures	(1,298,500)	-	(1,298,500)
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	1,298,500	-	1,298,500
Total other financing sources	1,298,500	-	1,298,500
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	\$ -	\$ -	\$ -
Fund balances at beginning of year			
Fund balance at end of year			

<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>	<u>2014</u>
\$ 1,148	\$ 1,148	\$ 1,010
<u>1,148</u>	<u>1,148</u>	<u>1,010</u>
1,020,000	-	990,000
<u>278,500</u>	<u>-</u>	<u>366,800</u>
1,298,500	-	1,356,800
<u>(1,297,352)</u>	<u>1,148</u>	<u>(1,355,790)</u>
1,291,050	7,450	1,356,709
<u>1,291,050</u>	<u>(7,450)</u>	<u>1,356,709</u>
(6,302)	\$ (6,302)	919
<u>12,825</u>		<u>11,906</u>
\$ 6,523		\$ 12,825

## CAPITAL PROJECTS FUND



**CITY OF LIVINGSTON, TEXAS  
CAPITAL PROJECTS FUND - COMPARATIVE BALANCE SHEET  
SEPTEMBER 30, 2015 AND 2014**

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**ASSETS**

	<u>2015</u>	<u>2014</u>
Cash	\$ 507,620	\$ 833,076
Total Assets	<u>\$ 507,620</u>	<u>\$ 833,076</u>

**FUND BALANCES**

Fund Balances:		
Restricted for:		
Capital projects	\$ 507,620	\$ 833,076
Total Fund Balances	<u>\$ 507,620</u>	<u>\$ 833,076</u>

**CITY OF LIVINGSTON, TEXAS  
CAPITAL PROJECTS FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED SEPTEMBER 30, 2015  
WITH COMPARATIVE ACTUAL TOTALS FOR 2014**

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	<b>Budgeted Amounts GAAP Basis</b>		
	<b><u>Original</u></b>	<b><u>Revisions</u></b>	<b><u>Final</u></b>
<b><u>EXPENDITURES</u></b>			
Capital outlay:			
Street improvements	(593,000)	-	(593,000)
Total Expenditures	(593,000)	-	(593,000)
Excess (deficiency) of revenues over expenditures	(593,000)	-	(593,000)
<b><u>OTHER FINANCING SOURCES</u></b>			
Transfers out	-	-	-
Total other financing sources	-	-	-
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	\$ (593,000)	\$ -	\$ (593,000)
Fund balances at beginning of year			
Fund balances at end of year			

<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>	<u>2014</u>
<u>(325,456)</u>	<u>267,544</u>	<u>(1,016,360)</u>
<u>(325,456)</u>	<u>267,544</u>	<u>(1,016,360)</u>
<u>(325,456)</u>	<u>267,544</u>	<u>(1,016,360)</u>
<u>-</u>	<u>-</u>	<u>(1,513,624)</u>
<u>-</u>	<u>-</u>	<u>(1,513,624)</u>
<u>(325,456)</u>	<u>267,544</u>	<u>(2,529,984)</u>
<u>833,076</u>	<u>-</u>	<u>3,363,060</u>
<u>\$ 507,620</u>	<u>\$ 267,544</u>	<u>\$ 833,076</u>

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## PROPRIETARY FUND

**CITY OF LIVINGSTON, TEXAS**  
**COMPARATIVE STATEMENT OF NET POSITION**  
**ELECTRIC, WATER AND SEWER FUND**  
**SEPTEMBER 30, 2015 AND 2014**

<b>ASSETS</b>	<b>2015</b>	<b>2014</b>
Current assets:		
Cash	\$ 6,902,277	\$ 5,263,978
Certificates of deposit	1,500,000	1,500,000
Restricted assets		
Cash in bank, water and sewer system improvements	61,645	61,491
Cash in bank, reserve fund	55,625	49,865
Receivables:		
Returned checks receivable	30,629	27,833
Utility accounts receivable	1,683,315	1,587,732
Total current assets	<u>10,233,491</u>	<u>8,490,899</u>
Noncurrent assets:		
Capital assets:		
Land	694,222	694,222
Building and improvements	507,925	493,545
Equipment and fixtures	2,374,182	2,231,529
Electrical system	5,503,322	5,351,823
Water system	11,792,670	11,409,609
Sewer system	9,120,141	8,685,654
Water service contract rights	21,900,000	22,510,000
	51,892,462	51,376,382
Less accumulated depreciation	<u>(9,101,847)</u>	<u>(8,612,366)</u>
Net capital assets	<u>42,790,615</u>	<u>42,764,016</u>
Deferred outflows of resources:		
Amounts related to pensions:		
Contributions after December 31, 2014	158,861	-
Difference in expected and actual experience	33,233	-
Difference in projected and actual earnings	67,127	-
Total Deferred Outflows of Resources	<u>259,221</u>	<u>-</u>
Total Noncurrent Assets	<u>43,049,836</u>	<u>42,764,016</u>
Total Assets	<u>\$ 53,283,327</u>	<u>\$ 51,254,915</u>

	<b>2015</b>	<b>2014</b>
<b>LIABILITIES</b>		
Current liabilities:		
Accounts payable	\$ 1,068,777	\$ 1,244,553
Meter deposits	521,508	514,248
Net pension liability	1,023,448	-
Contracts payable-Trinity River Authority	620,000	610,000
Total current liabilities	<u>3,233,733</u>	<u>2,368,801</u>
Noncurrent liabilities:		
Contracts payable-Trinity River Authority	<u>21,280,000</u>	<u>21,900,000</u>
Total noncurrent liabilities	<u>21,280,000</u>	<u>21,900,000</u>
Total liabilities	<u>24,513,733</u>	<u>24,268,801</u>
<b>NET POSITION</b>		
Net investment in capital assets	20,890,615	20,254,016
Restricted for water and sewer system improvements	61,645	61,491
Restricted for Trinity River Authority contracts payable	55,625	49,865
Unrestricted	<u>7,761,709</u>	<u>6,620,642</u>
Total Net Position	<u>\$ 28,769,594</u>	<u>\$ 26,986,014</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, 2015 AND 2014**

**Business-Type Activities - Enterprise Fund**

	<u>2015</u>	<u>2014</u>
<u>Operating revenues:</u>		
Charges for sales and services:		
Electricity sales	\$ 9,636,370	\$ 9,541,243
Water sales	2,608,428	2,626,784
Sewer service charges	1,884,952	1,867,821
Penalties, utilities	154,671	146,808
Water tapping fees	10,800	17,707
Sewer tapping fees	7,508	7,700
Recoveries, electrical	5,013,951	2,430,527
Recoveries, water	87,994	272,424
Revenue, night lights	91,162	86,789
Service fees	55,981	57,603
Total Operating Revenues	<u>19,551,817</u>	<u>17,055,406</u>
<u>Operating expenses:</u>		
Light and Power Department	9,810,953	9,550,853
Water Department	3,618,548	3,822,914
Sewer Department	709,953	687,033
Depreciation	489,482	458,684
Total Operating Expenses	<u>14,628,936</u>	<u>14,519,484</u>
Operating Income	4,922,881	2,535,922
<u>Non-operating revenues:</u>		
Interest income	<u>8,930</u>	<u>12,351</u>
Income Before Transfers	4,931,811	2,548,273
Transfers In	-	1,513,624
Transfers Out	<u>(2,347,835)</u>	<u>(1,920,058)</u>
Change in net position	2,583,976	2,141,839
Total net position - beginning	26,986,014	24,844,175
Change in accounting	<u>(800,396)</u>	<u>-</u>
Total net position - ending	<u>\$ 28,769,594</u>	<u>\$ 26,986,014</u>



**CITY OF LIVINGSTON, TEXAS**  
**COMPARATIVE STATEMENT OF CASH FLOWS**  
**ELECTRIC, WATER, AND SEWER FUND**  
**FOR THE YEARS ENDED SEPTEMBER 30, 2015 AND 2014**

**Business-Type Activities - Enterprise Fund**

	<b><u>2015</u></b>	<b><u>2014</u></b>
Cash flows from operating activities:		
Cash received from customers	\$ 19,453,438	\$ 17,213,233
Cash payments to suppliers for goods and services	(12,932,988)	(12,617,605)
Cash payments to employees for services	<u>(1,409,694)</u>	<u>(1,360,535)</u>
Net cash provided by operating activities	<u>5,110,756</u>	<u>3,235,093</u>
Cash flows from noncapital financing activities:		
Transfers from other funds	-	1,513,624
Transfers to other funds	<u>(2,347,835)</u>	<u>(1,920,058)</u>
Net cash used for noncapital financing activities	<u>(2,347,835)</u>	<u>(406,434)</u>
Cash flows from capital and related financing activities:		
Acquisition of capital assets	<u>(1,127,538)</u>	<u>(1,951,028)</u>
Net cash used for capital and related financing activities	<u>(1,127,538)</u>	<u>(1,951,028)</u>
Cash flows from investing activities:		
Interest on cash and investments	<u>8,930</u>	<u>12,351</u>
Net cash provided by investing activities	<u>8,930</u>	<u>12,351</u>
Net Change in Cash and Cash Equivalents	1,644,313	889,982
Cash and Cash Equivalents at Beginning of Year	<u>5,375,234</u>	<u>4,485,252</u>
Cash and Cash Equivalents at End of Year	<u>\$ 7,019,547</u>	<u>\$ 5,375,234</u>

(Continued)

**CITY OF LIVINGSTON, TEXAS  
COMPARATIVE STATEMENT OF CASH FLOWS  
ELECTRIC, WATER, AND SEWER FUND  
FOR THE YEARS ENDED SEPTEMBER 30, 2015 AND 2014**

**Business-Type Activities - Enterprise Fund**

	<b><u>2015</u></b>	<b><u>2014</u></b>
Reconciliation of income from operations to net cash provided by operating activities:		
Income from operations	\$ 4,922,881	\$ 2,535,922
Adjustments to reconcile operating net income to net cash provided by operating activities:		
Depreciation	489,482	458,684
Change in operating assets and liabilities:		
Returned checks receivable	(2,796)	(823)
Utility accounts receivable	(95,583)	157,827
Deferred outflows	(95,880)	
Accounts payable	(175,776)	57,233
Meter deposits	7,260	26,250
Net pension liability	61,168	
Total adjustments	187,875	699,171
Net cash provided by operating activities	\$ 5,110,756	\$ 3,235,093
Reconciliation of total cash and cash investments		
Unrestricted	\$ 6,902,277	\$ 5,263,878
Restricted		
Cash in bank, water and sewer system improvements	61,645	61,491
Cash in bank, reserve fund	55,625	49,865
Total cash and cash equivalents	\$ 7,019,547	\$ 5,375,234

(Concluded)

## ENTERPRISE FUND

**CITY OF LIVINGSTON, TEXAS**  
**ENTERPRISE FUND**  
**SCHEDULE OF EXPENSES BY DEPARTMENT - COMPARED TO BUDGET**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2015**  
**WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED SEPTEMBER 30, 2014**

	<b>2015</b>			
	<b>Original Budget</b>	<b>Revisions</b>	<b>Final</b>	<b>Actual</b>
<b>LIGHT AND POWER DEPARTMENT</b>				
Salaries	\$ 625,000	\$ 5,000	\$ 630,000	\$ 619,278
Salaries, administration	33,000	-	33,000	32,590
Social Security	50,350	400	50,750	49,835
Retirement	104,000	(2,000)	102,000	85,990
Employee insurance	88,000	(3,000)	85,000	87,238
Uniform rental	6,000	500	6,500	5,934
Insurance and bonds	21,000	(1,500)	19,500	19,193
Legal and professional	2,000	-	2,000	1,612
Engineering	1,000	-	1,000	-
Supplies	40,000	-	40,000	39,273
Repairs-building and grounds and equipment	50,000	(11,500)	38,500	40,663
Gas and oil	22,000	(4,000)	18,000	15,109
Utility/telephone	7,800	-	7,800	6,909
Dues and subscriptions	7,300	200	7,500	7,474
Power purchase	8,500,000	150,000	8,650,000	8,754,348
Transportation and contingency	11,000	(3,000)	8,000	8,377
Utility billing	12,500	-	12,500	11,684
Postage and miscellaneous	14,500	1,500	16,000	14,329
Auditing and accounting	11,000	117	11,117	11,117
Total Light and Power	<u>9,606,450</u>	<u>132,717</u>	<u>9,739,167</u>	<u>9,810,953</u>
<b>WATER DEPARTMENT</b>				
Salaries	450,000	(20,000)	430,000	429,254
Salaries - administration	33,000	-	33,000	32,591
Social Security	36,950	(1,950)	35,000	35,717
Retirement	74,075	425	74,500	59,656
Employee insurance	82,000	1,000	83,000	77,819
Uniform rental	4,000	1,700	5,700	5,474
Insurance and bonds	20,475	(1,975)	18,500	18,202
Legal and professional	4,200	2,800	7,000	5,246
Supplies	50,500	10,000	60,500	43,595
Repairs-building and grounds	30,000	(15,000)	15,000	11,098
Repairs-equipment	35,000	10,000	45,000	35,915
Gas and oil	60,500	(10,500)	50,000	41,599
Engineering	7,500	-	7,500	4,555
Dues and subscriptions	11,000	(1,000)	10,000	9,709
Water-TRA	58,400	-	58,400	58,400
Operations and maintenance-TRA	1,140,726	(48,863)	1,091,863	1,091,863
Transportation and contingency	24,900	9,600	34,500	33,190
Utility billing	13,500	-	13,500	11,684
Postage and printing	15,500	(1,850)	13,650	14,343
TRA-debt service	1,584,748	2,775	1,587,523	1,587,523
Auditing and accounting	11,000	117	11,117	11,116
Total Water	<u>3,747,974</u>	<u>(62,721)</u>	<u>3,685,253</u>	<u>3,618,549</u>

<b>Variance</b>	<b>2014 Actual</b>
\$ 10,722	\$ 572,989
410	31,510
915	46,218
16,010	96,822
(2,238)	76,619
566	4,365
307	19,971
388	1,795
1,000	-
727	35,613
(2,163)	18,917
2,891	18,014
891	7,241
26	7,320
(104,348)	8,573,172
(377)	5,576
816	11,217
1,671	12,686
-	10,808
<u>(71,786)</u>	<u>9,550,853</u>
746	425,088
409	31,511
(717)	35,189
14,844	71,634
5,181	64,246
226	4,513
298	19,765
1,754	5,193
16,905	63,614
3,902	4,573
9,085	53,733
8,401	50,742
2,945	12,580
291	10,021
-	58,400
-	1,042,138
1,310	26,868
1,816	11,216
(693)	12,687
-	1,808,397
1	10,806
<u>66,704</u>	<u>3,822,914</u>

**CITY OF LIVINGSTON, TEXAS**  
**ENTERPRISE FUND**  
**SCHEDULE OF EXPENSES BY DEPARTMENT - COMPARED TO BUDGET**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2015**  
**WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED SEPTEMBER 30, 2014**

	<b>2015</b>			
	<b>Original Budget</b>	<b>Revisions</b>	<b>Final</b>	<b>Actual</b>
<b>SEWER DEPARTMENT</b>				
Salaries	265,000	5,000	270,000	263,391
Salaries, administration	33,000	-	33,000	32,590
Social Security	22,800	700	23,500	22,845
Retirement	41,850	650	42,500	35,851
Employee insurance	38,350	650	39,000	39,089
Uniform rental	2,200	700	2,900	3,226
Insurance and bonds	7,200	1,150	8,350	7,417
Lab fees-engineering	10,000	5,000	15,000	14,604
Supplies	30,000	5,000	35,000	37,351
Chemicals	25,000	2,500	27,500	27,634
Legal/professional	2,500	(1,500)	1,000	753
Repairs-equipment	100,000	15,000	115,000	123,629
Repairs-building and grounds	1,500	11,300	12,800	2,214
Gas and oil	12,100	(2,600)	9,500	8,341
Dues and subscriptions	10,000	(700)	9,300	9,214
Transportation and contingency	63,100	(4,600)	58,500	56,156
Utilities and telephone	30,000	(5,000)	25,000	25,648
Total Sewer	<u>694,600</u>	<u>33,250</u>	<u>727,850</u>	<u>709,953</u>
<b>TOTAL ENTERPRISE FUND</b>				
DEPARTMENT EXPENDITURES	<u>\$ 14,049,024</u>	<u>\$ 103,246</u>	<u>\$14,152,270</u>	<u>\$ 14,139,455</u>

<u>Variance</u>	<u>2014 Actual</u>
6,609	267,927
410	31,510
655	23,076
6,649	43,167
(89)	33,984
(326)	2,289
933	6,938
396	20,729
(2,351)	36,110
(134)	26,095
247	275
(8,629)	91,092
10,586	1,093
1,159	8,307
86	9,209
2,344	56,684
(648)	28,548
<u>17,897</u>	<u>687,033</u>
 <u>\$ 12,815</u>	 <u>\$ 14,060,800</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)**

	Fiscal Year		
	2006	2007	2008
Governmental activities			
Invested in capital assets, net of related debt	\$ 3,545,562	\$ 3,549,442	\$ 3,625,188
Restricted	64,428	32,042	56,185
Unrestricted	<u>301,060</u>	<u>746,824</u>	<u>847,279</u>
Total governmental activities net position	<u>\$ 3,911,050</u>	<u>\$ 4,328,308</u>	<u>\$ 4,528,652</u>
Business-type activities			
Invested in capital assets, net of related debt	\$12,212,140	\$ 12,661,355	\$ 13,795,660
Restricted	138,706	176,772	122,980
Unrestricted	<u>2,545,862</u>	<u>1,914,913</u>	<u>1,858,986</u>
Total business-type activities net position	<u>\$14,896,708</u>	<u>\$ 14,753,040</u>	<u>\$ 15,777,626</u>
Primary government			
Invested in capital assets, net of related debt	\$15,757,702	\$ 16,210,797	\$ 17,420,848
Restricted	203,134	208,814	179,165
Unrestricted	<u>2,846,922</u>	<u>2,661,737</u>	<u>2,706,265</u>
Total primary government net position	<u>\$18,807,758</u>	<u>\$ 19,081,348</u>	<u>\$ 20,306,278</u>

TABLE A-1

Fiscal Year						
2009	2010	2011	2012	2013	2014	2015
\$ 3,805,846	\$ 3,816,433	\$ 4,351,471	\$ 4,791,257	\$ 4,315,590	\$ 2,964,659	\$ 4,437,694
58,323	60,119	62,171	11,028	11,906	12,825	6,523
<u>1,403,689</u>	<u>1,018,128</u>	<u>513,969</u>	<u>358,850</u>	<u>662,242</u>	<u>1,270,906</u>	<u>(217,812)</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>	<u>\$ 4,226,405</u>
\$ 14,299,578	\$ 15,112,038	\$ 16,034,964	\$ 17,445,479	\$ 18,761,672	\$ 20,254,016	\$ 20,890,615
120,096	125,923	463,375	103,495	103,626	111,356	117,270
<u>2,010,951</u>	<u>2,680,995</u>	<u>3,142,246</u>	<u>2,921,239</u>	<u>5,978,877</u>	<u>6,620,642</u>	<u>7,761,709</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>	<u>\$ 28,769,594</u>
\$ 18,105,424	\$ 18,928,471	\$ 20,386,435	\$ 22,236,736	\$ 23,077,262	\$ 23,218,675	\$ 25,328,309
178,419	186,042	525,546	114,523	115,532	124,181	123,793
<u>3,414,640</u>	<u>3,699,123</u>	<u>3,656,215</u>	<u>3,280,089</u>	<u>6,641,119</u>	<u>7,891,548</u>	<u>7,543,897</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>	<u>\$ 32,995,999</u>

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

	Fiscal Year					
	2006	2007	2008	2009	2010	2011
<b>Expenses</b>						
Governmental activities:						
Administrative	\$ 494,543	\$ 550,712	\$ 543,102	\$ 625,366	\$ 550,726	\$ 560,705
Sanitation	552,169	595,541	614,965	607,137	597,196	611,463
Fire	328,722	372,421	403,472	413,973	406,508	440,931
Police	1,260,724	1,345,599	1,454,820	1,530,106	1,618,530	1,701,952
Paving and street	971,433	1,023,956	1,003,610	935,608	950,467	968,401
Parks and recreation	806,073	842,246	927,799	847,600	893,254	917,386
Library	246,801	274,830	283,433	284,255	312,390	310,674
Garage	158,581	163,178	177,194	186,795	180,496	183,928
Interest on long-term debt	362,868	363,425	350,383	316,960	292,638	267,220
Total governmental activities expense	5,181,914	5,531,908	5,758,778	5,747,800	5,802,205	5,962,660
Business-type activities:						
Electric, water and sewer	10,407,751	10,553,606	10,490,362	12,007,478	12,362,086	12,851,514
Total business-type activities expenses	10,407,751	10,553,606	10,490,362	12,007,478	12,362,086	12,851,514
Total primary government expenses	15,589,665	16,085,514	16,249,140	17,755,278	18,164,291	18,814,174
<b>Program Revenues</b>						
Governmental activities:						
Charges for services						
Administrative	167,499	171,091	158,653	368,308	247,380	98,784
Sanitation	735,376	835,662	837,658	846,740	846,516	933,025
Police	236,332	224,131	222,411	222,025	228,426	251,926
Paving and street	83,227	8,931	1,921	892	10,197	20,749
Parks and recreation	269,001	290,508	291,150	298,880	226,859	234,341
Library	16,518	18,085	23,652	19,386	18,171	17,309
Operating grants and contributions	392,402	A. 228,664	A. 130,974	653,212	B. 94,055	110,894
Capital grants and contributions	12,891	-	-	471,764	B. 247,392	C. 171,317
Total governmental activities program revenues	1,913,246	1,777,072	1,666,419	2,881,207	1,918,996	1,837,545
Business-type activities:						
Charges for services						
Electric, water and sewer	10,708,095	10,867,675	11,929,258	12,369,934	13,968,911	15,144,524
Total business-type activities program revenues	10,708,095	10,867,675	11,929,258	12,369,934	13,968,911	15,144,524
Total primary government program revenues	12,621,341	12,644,747	13,595,677	15,251,141	15,887,907	16,982,069
Net (Expense) Revenues						
Governmental activities	(3,268,668)	(3,754,836)	(4,092,359)	(2,866,593)	(3,883,209)	(4,125,115)
Business-type activities	300,344	314,069	1,438,886	362,456	1,606,825	2,293,010
Total primary government program net expense	(2,968,324)	(3,440,767)	(2,653,463)	(2,504,137)	(2,276,384)	(1,832,105)
<b>General Revenues and Other Changes in Net Position</b>						
Governmental activities:						
Taxes						
Sales taxes	2,885,734	3,144,640	3,232,037	3,392,552	3,012,227	3,185,997
Franchise taxes	148,230	162,312	166,598	172,631	143,586	162,759
Hotel/Motel taxes	168,967	236,920	261,357	291,096	210,076	219,019
Investment earnings	14,373	60,343	54,954	12,753	7,153	4,803
Miscellaneous	34,381	34,344	90,514	-	-	-
Transfers	365,963	533,535	487,243	(263,233)	136,989	585,468
Total governmental activities	3,617,648	4,172,094	4,292,703	3,605,799	3,510,031	4,158,046
Business-type activities:						
Investment earnings	74,278	75,798	72,933	27,310	18,495	14,087
Transfers	(365,963)	(533,535)	(487,243)	263,233	(136,989)	(585,468)
Total business-type activities	(291,685)	(457,737)	(414,310)	290,543	(118,494)	(571,381)
Total primary government	3,325,963	3,714,357	3,878,393	3,896,342	3,391,537	3,586,665
<b>Changes in Net Position</b>						
Governmental activities	348,980	417,258	200,344	739,206	(373,178)	32,931
Business-type activities	8,659	(143,668)	1,024,586	652,999	1,488,331	1,721,629
Total primary government	\$ 357,639	\$ 273,590	\$ 1,224,930	\$ 1,392,205	\$ 1,115,153	\$ 1,754,560

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-2

2012	2013	2014	2015
\$ 578,438	\$ 609,174	\$ 628,524	\$ 629,168
631,433	653,663	705,207	701,377
396,728	404,025	429,642	431,539
1,846,576	1,852,215	1,912,194	1,992,910
962,427	969,670	993,905	1,082,684
973,354	991,098	947,878	1,060,084
332,359	354,693	448,499	476,226
190,832	203,343	218,840	217,587
246,345	366,800	325,625	278,500
6,158,492	6,404,681	6,610,314	6,870,075
12,521,334	12,167,699	14,519,484	14,628,936
12,521,334	12,167,699	14,519,484	14,628,936
18,679,826	18,572,380	21,129,798	21,499,011
193,065	98,300	101,595	92,722
947,880	1,027,614	1,038,218	1,041,025
280,759	273,321	275,621	294,900
51,802	2,103	11,485	4,156
199,677	203,685	192,800	331,809
15,406	17,835	23,829	32,866
130,478	128,227	60,484	86,898
3,491	-	-	219,600
1,822,558	1,751,085	1,704,032	2,103,976
14,253,547	16,851,001	17,055,406	19,551,817
14,253,547	16,851,001	17,055,406	19,551,817
16,076,105	18,602,086	18,759,438	21,555,793
(4,335,934)	(4,653,596)	(4,906,282)	(4,766,099)
1,732,213	4,683,302	2,535,922	4,922,881
(2,603,721)	29,706	(2,370,360)	156,782
3,275,321	3,730,723	3,431,399	3,488,475
146,319	151,625	135,253	142,040
222,936	270,564	318,487	297,152
10,801	7,743	3,918	3,389
914,081	321,544	406,434	2,347,835
4,569,458	4,482,199	4,295,491	6,278,891
11,496	12,204	12,351	8,930
(914,081)	(321,544)	(406,434)	(2,347,835)
(902,585)	(309,340)	(394,083)	(2,338,905)
3,666,873	4,172,859	3,901,408	3,939,986
233,524	(171,397)	(610,791)	1,512,792
829,628	4,373,962	2,141,839	2,583,976
\$ 1,063,152	\$ 4,202,565	\$ 1,531,048	\$ 4,096,768

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

	Fiscal Year			
	2006	2007	2008	2009
General Fund				
Restricted	\$ 2,598	\$ 2,598	\$ 78,525	\$ 64,705
Unassigned	<u>253,737</u>	<u>583,212</u>	<u>768,754</u>	<u>1,096,703</u>
Total General Fund	<u>\$ 256,335</u>	<u>\$ 585,810</u>	<u>\$ 847,279</u>	<u>\$ 1,161,408</u>
All Other Governmental Funds				
Restricted				
Debt Service Fund	\$ 64,425	\$ 32,042	\$ 56,185	\$ 58,323
Capital Projects Fund	<u>-</u>	<u>1,430,000</u> A.	<u>1,136,493</u>	<u>650,228</u>
Total all other governmental funds	<u>\$ 64,425</u>	<u>\$ 1,462,042</u>	<u>\$ 1,192,678</u>	<u>\$ 708,551</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					
2010	2011	2012	2013	2014	2015
\$ 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>	\$ 2,421 <u>1,231,446</u>
<u>\$ 912,903</u>	<u>\$ 424,662</u>	<u>\$ 204,363</u>	<u>\$ 857,756</u>	<u>\$ 1,270,905</u>	<u>\$ 1,233,867</u>
\$ 60,119 <u>218,502</u>	\$ 62,171 <u>93,702</u>	\$ 11,028 <u>6,053,685</u>	B. \$ 11,906 <u>3,363,060</u>	\$ 12,825 <u>833,076</u>	\$ 6,523 <u>507,620</u>
<u>\$ 278,621</u>	<u>\$ 155,873</u>	<u>\$ 6,064,713</u>	<u>\$ 3,374,966</u>	<u>\$ 845,901</u>	<u>\$ 514,143</u>

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

	Fiscal Year			
	2006	2007	2008	2009
<b>Revenues</b>				
Taxes	\$ 3,202,931	\$ 3,543,872	\$ 3,659,992	\$ 3,856,279
Licenses and permits	167,500	171,091	158,653	330,493
Charges for service	1,027,350	1,044,379	1,063,339	1,069,232
Fines and forfeitures	208,945	220,568	206,059	210,193
Miscellaneous	558,205	435,547	383,885	1,271,421
Total Revenues	<u>5,164,931</u>	<u>5,415,457</u>	<u>5,471,928</u>	<u>6,737,618</u>
<b>Expenditures</b>				
Administrative	430,460	589,450	464,778	544,952
Sanitation	551,984	595,356	614,780	606,952
Fire	292,497	333,880	366,276	378,591
Police	1,156,337	1,239,397	1,356,402	1,436,239
Paving and street	421,287	446,480	344,420	388,011
Parks and recreation	621,815	654,682	744,706	667,173
Library	225,276	257,071	261,206	250,779
Garage	150,570	154,049	261,800	175,996
Capital outlay	1,280,136	633,113	512,315	1,158,730
Debt service				
Interest	362,868	363,425	350,383	316,960
Principal	560,000	570,000	690,000	720,000
Total Expenditures	<u>6,053,230</u>	<u>5,836,903</u>	<u>5,967,066</u>	<u>6,644,383</u>
Excess of revenues over (under) expenditures	(888,299)	(421,446)	(495,138)	93,235
<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	1,274,601	1,040,595	1,560,371	1,236,959
Transfers out	(908,638)	(507,060)	(1,073,128)	(1,500,192)
Total other financing sources	<u>365,963</u>	<u>2,148,535</u>	<u>487,243</u>	<u>(263,233)</u>
Net change in fund balances	<u>\$ (522,336)</u>	<u>\$ 1,727,089</u>	<u>\$ (7,895)</u>	<u>\$ (169,998)</u>
Debt service as a percentage of noncapital expenditures	19.3%	17.9%	19.1%	18.9%

- 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					
2010	2011	2012	2013	2014	2015
\$ 3,365,889	\$ 3,567,775	\$ 3,644,576	\$ 4,152,912	\$ 3,885,139	\$ 3,927,667
221,005	69,898	155,254	54,839	78,737	66,122
1,064,615	1,185,540	1,174,660	1,275,560	1,311,551	1,290,760
217,430	235,733	261,493	256,378	261,363	280,259
439,046	369,023	256,783	180,943	88,191	430,104
<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>	<u>5,994,912</u>
502,238	516,991	612,838	546,441	569,230	590,106
597,076	611,343	631,313	653,542	705,087	701,257
373,785	409,387	367,911	371,718	393,104	396,935
1,524,372	1,600,314	1,734,608	1,736,455	1,802,083	1,882,425
428,013	453,560	447,899	450,841	486,078	536,667
715,406	752,668	810,104	845,205	802,039	933,864
277,401	275,958	296,039	302,686	335,764	350,494
169,988	173,673	172,278	182,681	198,707	201,151
497,732	773,312	718,971	1,862,161	1,498,439	1,820,144
292,398	267,220	246,345	366,800	366,800	278,500
<u>745,000</u>	<u>790,000</u>	<u>850,000</u>	<u>960,000</u>	<u>990,000</u>	<u>1,020,000</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>	<u>8,711,543</u>
(815,424)	(1,196,457)	(1,395,540)	(2,357,898)	(2,522,350)	(2,716,631)
-	-	6,000,000 C	-	-	-
-	-	3,100,000 D	-	-	-
-	-	(2,930,000) D	-	-	-
1,606,128	1,767,478	2,160,929	2,874,484	3,276,767	3,638,885
<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>(1,291,050)</u>
<u>136,989</u>	<u>585,468</u>	<u>7,084,081</u>	<u>321,544</u>	<u>406,434</u>	<u>2,347,835</u>
<u>\$ (678,435)</u>	<u>\$ (610,989)</u>	<u>\$ 5,688,541</u>	<u>\$ (2,036,354)</u>	<u>\$ (2,115,916)</u>	<u>\$ (368,796)</u>
18.4%	18.1%	17.8%	20.7%	20.4%	18.8%

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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**

<u>Tax Year</u>	<u>Real Property (1)</u>		<u>Personal (1)</u>
	<u>Assessed Value</u>	<u>Estimated Actual Value</u>	<u>Assessed Value</u>
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
2014	430,245,544	430,245,544	57,118,833

(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 Assessed to Total Estimated Actual Value</b>	<b>Total Direct Rate Applied</b>
<b>Estimated Actual Value</b>	<b>Assessed Value</b>	<b>Estimated Actual Value</b>		
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%
57,118,833	487,364,377	487,364,377	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)**

<u>County Fiscal Year</u>	<u>City General Fund</u>	<u>School District</u>	<u>County</u>	<u>Total</u>
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
2014	.00	1.3950	0.6461	2.0411

<u>County Fiscal Year</u>	<u>City General Fund</u>	<u>School District</u>	<u>County</u>	<u>Total</u>
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
2014	-	19,859,301	18,851,462	38,710,763

## Tax Rate Limitations:

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

## Tax Payment Data:

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

## Tax Collection Data:

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

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

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

**TEN LARGEST ELECTRIC CUSTOMERS  
FISCAL 2015 KILOWATT HOURS**

(*) Name	Kilowatt Hours	Rank	Percent of Total
Livingston Independent School Dist.	7,307,671	1	8.53%
Polk County	3,543,154	2	4.14%
Brookshire Brothers	2,378,989	3	2.78%
Lowes Home Improvement	2,062,285	4	2.41%
HEB Grocery	1,853,443	5	2.16%
The Bradford	1,157,332	6	1.35%
McDonald's	959,492	7	1.12%
Pine Ridge Healthcare Center	850,978	8	0.99%
Factory Stores of America	850,644	9	0.99%
First State Bank	635,384	10	0.74%
First National Bank	-		0.00%
	<u>21,599,372</u>		<u>25.21%</u>

**TEN LARGEST ELECTRIC CUSTOMERS  
FISCAL 2006 KILOWATT HOURS**

Kilowatt Hours	Rank	Percent of Total
8,687,501	1	10.37%
1,974,599	3	2.36%
2,306,548	2	2.75%
1,776,228	4	2.12%
1,746,076	5	2.09%
-		0.00%
686,306	9	0.82%
897,645	7	1.07%
1,341,312	6	1.60%
715,635	8	0.85%
637,135	10	0.76%
<u>20,768,985</u>		<u>24.79%</u>

**TEN LARGEST WATER CUSTOMERS  
FISCAL 2015 GALLONS USED**

(*) Name	Gallons Used	Rank	Percent of Total
Texas Department of Criminal Just.	251,993,000	1	47.75%
IAH Detention Facility	21,495,000	2	4.07%
Memorial Medical Center	14,368,000	3	2.72%
Livingston Independent School Dist.	11,625,000	4	2.20%
Polk County	7,011,000	5	1.33%
Pine Hill Apartments	5,799,000	6	1.10%
The Bradford	4,164,000	7	0.79%
Camp Cho Yeh	3,395,000	8	0.64%
Pine Ridge Healthcare Center	3,159,000	9	0.60%
La Quinta	2,767,000	10	0.52%
Walmart	-		0.00%
Mill Ridge Golf Club	-		0.00%
Super 8 (Econolodge)	-		0.00%
	<u>325,776,000</u>		<u>61.72%</u>

**TEN LARGEST WATER CUSTOMERS  
FISCAL 2006 GALLONS USED**

Gallons Used	Rank	Percent of Total
207,619,000	1	41.15%
-		0.00%
11,104,000	3	2.20%
11,620,000	2	2.30%
4,963,000	6	0.98%
7,119,000	5	1.41%
-		0.00%
7,144,000	4	1.42%
3,130,000	8	0.62%
-		0.00%
3,430,000	7	0.68%
2,877,000	10	0.57%
2,928,000	9	0.58%
<u>261,934,000</u>		<u>51.91%</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**

<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>
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	-	-
2014-15	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			
	2005	2006	2007	2008
Mining	\$ 7,700,436	\$ 60,829	\$ 756,938	\$ 285,694
Construction	787,927	11,059,135	11,376,991	8,329,709
Manufacturing	3,323,607	5,178,592	6,562,549	7,440,687
Transportation, communication, utility	3,498,339	74,518	63,730	152,921
Wholesale Trade	2,906,373	8,451,726	8,816,753	8,944,623
Retail Trade	131,436,864	119,034,315	128,368,896	137,752,269
Finance, insurance, real estate	69,374	1,177,586	1,690,872	1,741,041
Services	5,621,477	32,216,522	29,680,044	34,724,520
Other	<u>3,097,013</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$158,441,410</u>	<u>\$ 177,253,223</u>	<u>\$ 187,316,773</u>	<u>\$ 199,371,464</u>

Source: State Comptroller's Office

TABLE B-5

Fiscal Year					
2009	2010	2011	2012	2013	2014
\$ 139,367	\$ -	\$ -	\$ -	\$ -	\$ -
2,566,018	5,362,638	5,188,507	5,879,331	4,302,348	4,357,712
4,670,834	4,047,613	3,615,697	4,907,254	6,711,331	5,935,164
293,334	285,717	324,431	226,591	231,890	248,119
7,407,560	6,784,579	9,500,142	9,603,888	10,848,869	10,046,996
136,583,087	132,247,339	133,603,936	138,173,284	142,313,890	142,208,459
1,666,834	1,120,298	1,149,143	1,865,566	1,899,028	2,013,205
34,823,277	34,106,509	34,841,742	36,840,033	38,727,778	39,477,491
-	-	-	-	-	-
<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>	<u>\$ 204,287,146</u>

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

	<b>Fiscal Year</b>			
	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
Electrical revenues	\$ 8,039,723	\$ 8,016,265	\$ 8,918,291	\$ 9,387,165
Water revenues	1,550,614	1,629,707	1,765,155	1,749,976
Sewer revenues	<u>1,117,758</u>	<u>1,153,855</u>	<u>1,245,812</u>	<u>1,232,793</u>
Total	<u>\$ 10,708,095</u>	<u>\$ 10,799,827</u>	<u>\$ 11,929,258</u>	<u>\$ 12,369,934</u>

Sources: Various City Departments

TABLE B-6

Fiscal Year					
<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
\$ 10,362,512	\$ 11,196,010	\$ 10,123,366	\$ 12,539,645	\$ 12,262,970	\$ 14,952,135
2,326,923	2,279,605	2,107,111	2,908,495	2,916,915	2,707,222
<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>1,892,460</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>	<u>\$ 19,551,817</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.**

**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>
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
2014-15	5,850,000	2,500,000	21,900,000	30,250,000

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-1

<u>PERCENTAGE OF PERSONAL INCOME</u>	<u>GROSS BONDED DEBT PER CAPITA</u>	<u>NET BONDED DEBT PER CAPITA</u>	<u>POPULATION</u>
5.61%	1,517	1,442	5,433 (2)
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
13.61%	5,670	1,564	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>
2005-06	5,433 (2)	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
2014-15	5,335	487,364,377	8,350,000	6,523

(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>
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
8,343,477	-	1,564

**CITY OF LIVINGSTON, TEXAS**  
**COMPUTATION OF DIRECT AND OVERLAPPING DEBT**  
**September 30, 2015**

<u>Governmental Unit</u>	<u>Outstanding Debt</u>	<u>Percentage Applicable to This Governmental Unit *</u>	<u>City of Livingston's Share of Debt</u>
City of Livingston	\$ 8,350,000	100%	\$ 8,350,000
(1) Livingston Independent School District	66,145,000	20%	13,229,000
(2) County of Polk	26,246,198	13%	3,412,006
Total overlapping debt	92,391,198		16,641,006
Total direct and overlapping debt	\$ 100,741,198		\$ 24,991,006

(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, 2015**

Assessed value, year 2014	<u>\$ 487,364,377</u>
Debt Limit - Ten Percent of assessed value	48,736,438
Amount of Debt Applicable to Debt Limit:	
General Obligation bonds	2,500,000
Other debt (certificate of obligation and contracts payable)	<u>27,750,000</u>
Total debt	<u>30,250,000</u>
Less: Assets in debt service fund	6,523
Total amount of debt applicable to debt limit	<u>30,243,477</u>
Legal debt margin	<u>\$ 18,492,961</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>
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%
2015	\$ 48,736,438	\$ 30,243,477	\$ 18,492,961	37.94%

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

## **DEMOGRAPHIC AND ECONOMIC INFORMATION**

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

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

<u>Fiscal Year</u>	<u>Population</u>	<u>Personal Income</u>	<u>Per Capita Personal Income</u>	<u>Unemployment Rate</u>
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%
2014-15	5,335	222,250,765	41,659	5.90%

\* 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.

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

(*) Name	<b>2015</b>			<b>2006</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	599	1	7.68%	575	1	8.09%
Wal-Mart Super Center	454	2	5.82%	500	2	7.04%
County of Polk - Government	338	3	4.33%	300	3	4.22%
Memorial Med. Center	321	4	4.12%	140	5	1.97%
Sam Houston Electric Coop	157	5	2.01%	153	4	2.15%
Lowe's Home Improvement	147	6	1.88%	100	7	1.41%
The Bradford at Brookside	135	7	1.73%	-	-	0.00%
Brookshire Bros.	112	8	1.44%	89	8	1.25%
HEB Pantry Foods	110	9	1.41%	-	-	0.00%
I A H Detention Facility	102	10	1.31%	-	-	0.00%
Pine Ridge Nursing Center	-		0.00%	120	6	1.69%
First National Bank	-		0.00%	80	9	1.13%
McDonalds Restaurant	-		0.00%	77	10	1.08%
	<u>2,475</u>		<u>31.72%</u>	<u>2,134</u>		<u>30.03%</u>

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



## **OPERATING INFORMATION**

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

**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>2006</b>		<b>2007</b>		<b>2008</b>		<b>2009</b>		<b>2010</b>	
Administrative		10	B	11	B	12	B	10	B	10	B
Fire	A	2		2		2		2		2	
Police											
Officers		18		18		17		18		18	
Other staff		5		5		6		6		6	
Paving and street		7		7		5		5		6	
Parks and recreation		9		10		8		11		11	
Library		5		5		4		5		5	
Garage		2		2		2		2		2	
Electric, Water & Sewer		<u>19</u>		<u>16</u>		<u>18</u>		<u>18</u>		<u>19</u>	
Total		<u>77</u>		<u>76</u>		<u>74</u>		<u>77</u>		<u>79</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-1

<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
12 B	12 B	12 B	12 B	12 B
2	2	2	2	1
18	18	18	18	18
8	8	8	8	8
5	6	4	6	7
8	8	7	9	9
5	5	5	5	5
2	2	2	2	2
<u>17</u>	<u>16</u>	<u>17</u>	<u>21</u>	<u>19</u>
<u>77</u>	<u>77</u>	<u>75</u>	<u>83</u>	<u>81</u>

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

<b>FUNCTION/PROGRAM</b>	<b>Fiscal Year</b>			
	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
Police				
Violations (Traffic & Criminal)	2,493	3,047	2,823	3,309
Fire				
Fire Calls	592	728	863	797
Library				
Volumes of Books	22,212	22,426	20,770	22,409
Electric				
Average daily kilowatt hours sold	226,791	227,240	224,443	230,289
Total customers	3,281	3,325	3,329	3,331
Water				
Average daily consumption	1,347,551	1,347,079	1,445,855	1,480,375
Total connections	3,213	3,224	3,214	3,270

Sources: Various City Departments

TABLE E-2

<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
3,317	4,494	4,880	4,881	4,588	4,402
717	850	613	572	508	531
22,287	23,544	21,759	19,599	18,335	19,798
238,439	243,342	227,099	232,027	232,292	234,643
3,296	3,286	3,295	3,310	3,320	3,316
1,567,956	1,611,014	1,507,419	1,956,984	1,847,951	1,458,384
3,265	3,251	3,261	3,293	3,286	3,299

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

<b>FUNCTION/PROGRAM</b>	<b>Fiscal Year</b>			
	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
Police				
Patrol Units	9	9	7	8
Fire				
Stations and substation	2	3	3	3
Vehicles including fire trucks	9	9	17	17
Paving and Street				
Miles of Paved Streets	49.20	49.20	53.24	55.74
Miles of Paved Sidewalks	12.50	12.50	12.50	12.50
Street lights	711	711	721	721
Night lights	481	481	468	468
Parks & Recreation				
Acres of Parks	373.50	373.50	373.50	373.50
Water				
Miles of water mains	33.95	33.95	34.40	35.98
Storage capacity-gallons	2,150,000	2,150,000	2,150,000	2,150,000
Sewer				
Miles of sewer lines	78.12	78.12	78.88	78.88

Sources: Various City Departments

TABLE E-3

2010	2011	2012	2013	2014	2015
10	10	16	16	16	17
3	3	3	3	3	3
17	17	17	15	17	15
58.06	58.06	58.06	58.06	58.06	58.06
12.50	12.50	12.50	12.50	12.50	12.50
723	818	824	819	821	826
424	435	452	452	467	463
373.50	373.50	373.50	373.50	373.50	373.50
40.43	45.25	45.78	45.78	46.63	47.43
2,150,000	2,150,000	2,150,000	2,150,000	3,150,000	3,300,000
80.00	80.00	80.00	80.75	80.75	81.30

**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**

2006	5,456	2011	5,572
2007	5,465	2012	5,572
2008	5,465	2013	5,572
2009	5,537	2014	5,572
2010	5,554	2015	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" 12.78 miles  
6" 20.90 miles  
20" 4.35 miles

Water Pumpage

Present requirements 1,850,000  
gallons per day

Water Storage

Elevated - 1,950,000 gallons  
Ground - 1,350,000 gallons

Sewer Lines

Sanitation - 81.3 miles of line  
Storm - Adequate for proper  
drainage

## CITY OF LIVINGSTON, TEXAS

## MISCELLANEOUS STATISTICAL DATA - UNAUDITED

PERSONNEL

<u>Department</u>	<u>Number of Employees</u>	<u>Employees Statistics</u>	
		<u>Years of Service</u>	<u>Number of Employees</u>
Administrative	10	31+	4
Electric	7	20-30	7
Water	9	15-19	11
Sewer	3	10-14	11
Police	25	6-9	18
Street	7	1-5	26
Parks and Recreational	6	Less than (one) 1 year	4
Library	5		
Garage	2		81
Community Devel.	2		
Fire	1		
Main Street	1		
Trade Days	3		
Total	81		

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)	Social Security
(120 hours after 10 years)	Volunteer Program (MVP)
(160 hours after 20 years)	Sick Leave Pool
Paid sick leave (80 hours) with 240 hours accrual	Holiday Compensation
Paid Holidays (Ten)	Law Enforcement Certificate Pay
Bereavement Leave (24 hours)	Telecommunication Operator Certificate Pay
Earned personal leave days (Two)	Paid uniforms for all service personnel
Award program-Annual banquet, safety, service, attendance, and volunteer awards.	Healthy initiative program
Education tuition reimbursement	Water/Wastewater Certificate pay
Family Leave (FMLA)	
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  
 Five (5) 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

Seventeen (17) Patrol Units  
 Nine (9) Radars  
 Radio Communication System  
 Computer System

Traffic and Criminal Violations

\$198,871 fines collected  
 4,402 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 vehicles

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  
 60 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

2014-2015 - 531 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, 2015**

(1) CenterPoint Energy	Gas Utility	Active Customers 1,172 Inactive Customers N/A
(1) LivCom	Telephone System	Access Lines - 4,133
(1) LivCom	Television Cable	Customers - 1,208
City of Livingston	Electric & Water Systems	Electric Customers 3,316 Water Customers 3,299
(1) Information provided by individual corporate offices		

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

Fiscal Year	Number of Customers	KWH Consumed		Total
		Residential	Commercial	
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
2015	3,316	29,362,807	56,282,603	85,645,410

## CITY OF LIVINGSTON, TEXAS

## MISCELLANEOUS STATISTICAL DATA - UNAUDITED

MUNICIPAL SALES TAX

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
2014-15	\$ 3,488,475

WATER DEPARTMENT STATISTICS (LAST TEN YEARS)

<u>Year</u>	<u>Gallons Consumed *</u>	<u>Gallons Pumped</u>
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
2015	532,310,000	678,095,000

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

\* EDUCATIONAL FACILITIESPublic 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  
 67 Aides Para Professional  
 212 Auxiliary  
 Average Daily Attendance - 3,940.5 Inclusive

Public School Administrative Personnel

Superintendent - One (1)  
 Chief Executive Officers - Three (3)  
 Principals - Eight (8)  
 Asst. Principals - Ten (10)  
 Counselors - Eleven (11)  
 Directors of Special Prog./Curriculum -  
 Eight (8)  
 Other - One (1)

Private

Private Kindergarten and/or  
 Nursery Schools - Four (4)

College

Angelina Junior College  
 Polk County Commerce Center Fall 2015  
 Enrollment 318

\* 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

Youth Center - South Washington

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

Joe Pedigo City Park

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

Matthews Park

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

Livingston Municipal Library

Located at 707 North Tyler Avenue. Opened  
 at new location May 2014 valued at \$2,500,000.  
 Staff-Professional Librarian, Three (3) Assistants,  
 One (1) Aide, Janitorial help.  
 Volumes; 2015 - 19,798

**ELECTION INFORMATION**

* Number of registered voters in County November 2015	36,054
* Number voting in last general election November 2014	10,631
Number of registered voters in City 2015	2,869
** 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, 2015**

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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
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.