

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



**FOR THE FISCAL YEAR ENDED**  
**SEPTEMBER 30, 2016**

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

**FISCAL YEAR  
OCTOBER 1, 2015 - SEPTEMBER 30, 2016  
ISSUED BY: FINANCE DEPARTMENT  
MARILYN SUTTON**

**CITY OF LIVINGSTON, TEXAS  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
SEPTEMBER 30, 2016**

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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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February 28, 2017

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, 2016 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, Alan Cook

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.

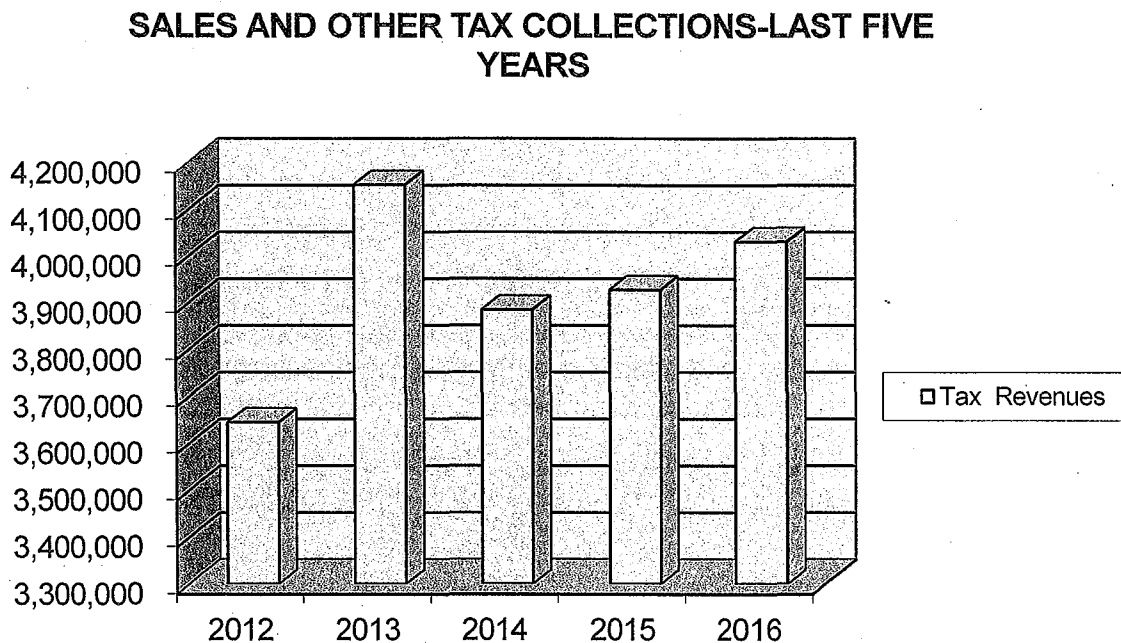
All internal control evaluations occur within the above framework. We believe that the City's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

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 most economic indicators in 2016. Sales tax revenue, a major indicator of the economic condition of the area, increased from \$3,488,000 to \$3,597,000, an increase of \$109,000 or 3.1%.

A graph of tax receipts follows:



In fiscal 2016, hotel occupancy tax decreased by .1%, gross receipts and franchise fees decreased by 3.7%, sanitation service revenue increased by 5.9%, municipal court fines increased by 7.0%, and parks and recreation and library user fees decreased by 43.8%.

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 decreased, it was only minimally. Water sales and sewer service revenue increased 10.6% with total gallons of water consumed increasing from 527,695,000 in 2015 to 557,967,000 in 2016. The Texas Department of Criminal Justice Polunsky Unit, located on FM 350 South, continued as the City's leading water and wastewater user consuming 260,812,000 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 28,431,000 gallons of water. Together, these two facilities represent 51.84% of water and sewer consumption, or 289,243,000 gallons of the total water consumed in fiscal year 2016.

## Economic Development

A total of 79 building permits were issued by the City of Livingston for commercial and residential construction projects in calendar year 2016 with a total construction value of \$5,067,989. 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.

## Capital Projects

Several major infrastructure projects were completed by the City during 2016 including:

- 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 2015 - 2016 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 and was completed in the spring of 2016. This project increased 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 purchase of new transformers for the substations in each of the member cities of Jasper, Liberty, and Livingston. SRMPA will purchase and install two new transformers for the Livingston electric substation located on the Old Woodville Road as part of the project. The first transformer has been delivered to the Livingston substation with installation to begin in January 2017 and completion expected in January/February 2017.

## 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, 2016 enrollment of 306 students which will improve education, job training and employment skills for our residents

- the 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 opening of the Naskila Entertainment Gaming Center on the Alabama-Coushatta Indian reservation which is located 17 miles east of Livingston on U.S. Highway 190 which is having a positive effect on tourism and employment in the area
- 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 increased for the first four months of the 2016 - 2017 fiscal year by about 12.6% from the first four months of 2015 - 2016 fiscal year. As other leading economic indicators continue to show signs of improvement, 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 developed a new 5-year strategic plan to determine priorities for the community. This process involved three (3) groups: the residents, supervisory personnel, and the Livingston City Council.

First, the City sent a Community Survey to all residents to determine their satisfaction in the delivery of City services and to determine the areas of most concern. The survey results were tabulated with the finding that the residents want to see improved code enforcement of dilapidated buildings, vacant lots and junked vehicles. Concern was expressed about the appearance of our community declining and the need for improvement in this area. Additionally, residents wanted to see improvement in the maintenance of City streets and sidewalks. Overall, residents were quite satisfied with the efforts of City employees who deliver City services with survey results showing in excess of 90% satisfaction.

Next, a planning session with supervisory personnel was conducted to review and rank priorities in personnel, facilities, equipment, projects and service categories.

Finally, the third part of the strategic planning process was a City Council workshop in July to address future infrastructure needs, assess facilities, programming and service delivery needs and determine long-range goals to address the issues that challenge the community today and, more importantly, those that will present challenges tomorrow.

As a result of the planning process, in 2017 the City will focus on street improvements, more active code enforcement of dilapidated buildings, junked vehicles and vacant lots, improved beautification efforts and community pride projects, and development of a new parks master plan.

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 2016 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, 2016, 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, 2015. 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.

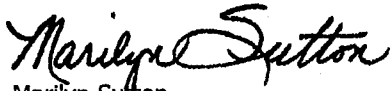
A Certificate of Achievement is valid for a period of one year only. The City of Livingston has received a Certificate of Achievement for the last twenty-seven consecutive years (fiscal years ended 1988-2015). We believe the current report continues to conform to the Certificate of Achievement program 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, reading "Marilyn Sutton". The signature is written in black ink and is positioned above the printed name and title.

Marilyn Sutton  
City Manager and Chief Financial Officer

# **CITY OF LIVINGSTON, TEXAS**

**September 30, 2016**

## **PRINCIPAL OFFICIALS**

### **City Council**

Mayor

Clarke Evans

Mayor Pro-tem

Billy S. Wiggins

Alderman

Elgin Davis

Alderman

Raymond Luna

Alderwoman

Judy Cochran

Alderman

Alan Cook

### **Administration**

City Manager

Marilyn Sutton

City Secretary

Ellie Monteaux

City Attorney

Jim Wright

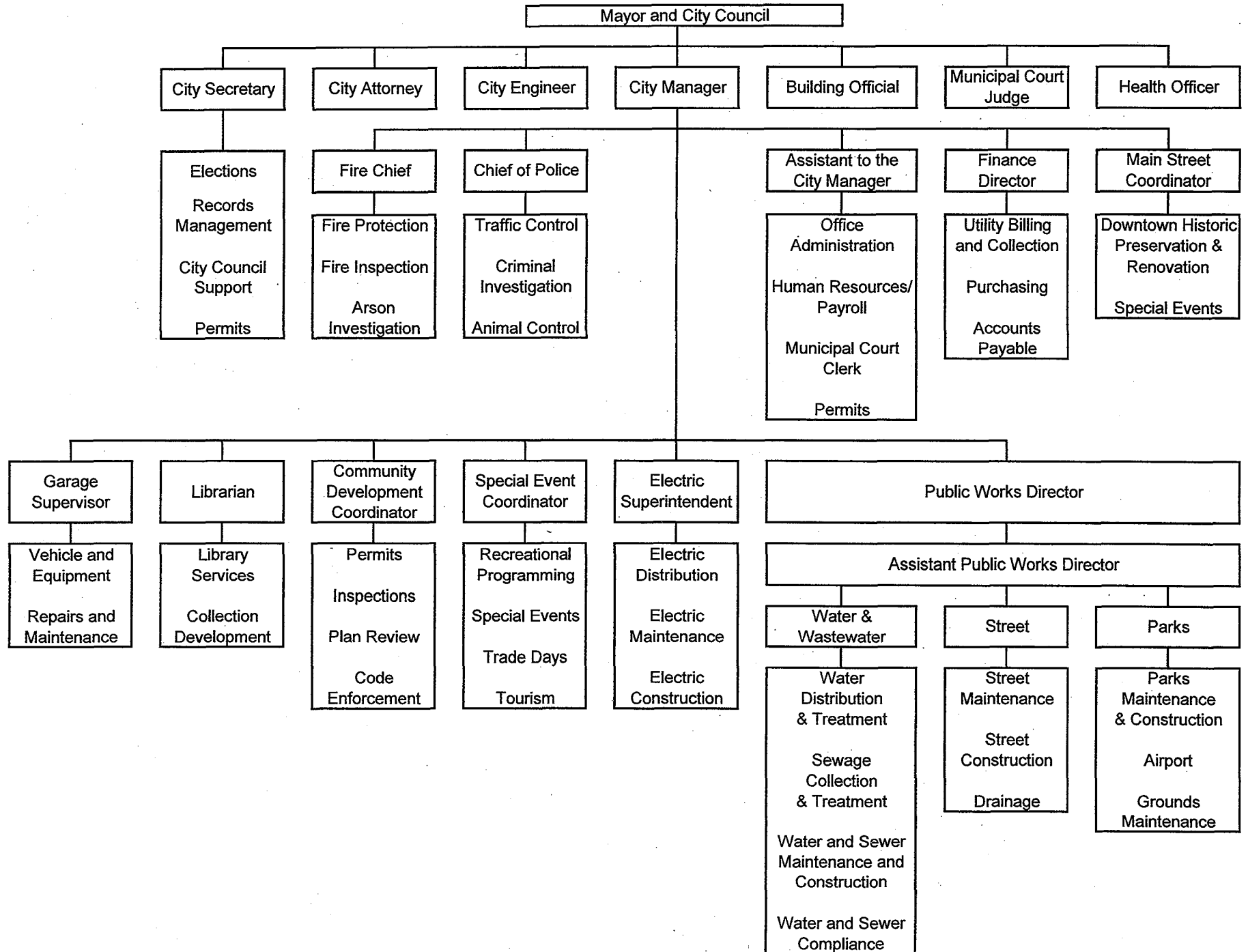
### **Form of Government**

Council - Manager

General Law City

# CITY OF LIVINGSTON, TEXAS ORGANIZATIONAL CHART

2016





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, 2015**

A handwritten signature in black ink, reading "Jeffrey R. Egan". The signature is written in a cursive, flowing style.

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, 2016, 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, 2016, 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.

The budgetary comparison schedules and individual fund financial statements are 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  
February 28, 2017



**CITY OF LIVINGSTON, TEXAS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**SEPTEMBER 30, 2016**

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, 2016. Please read it in conjunction with the accompanying transmittal letter and the accompanying basic financial statements.

**FINANCIAL HIGHLIGHTS**

- The City's net position of governmental activities increased by \$1,146,000 or 27.1% as a result of the year's operations and transfers from the City's business type activities. The increase from operations was due primarily to an increase in sales tax revenue of \$109,000, a decrease in grants for the street department of \$170,000, and an increase in transfers from business activities of \$316,000. Net position of the City's business type activities increased by \$5,315,000 or 18.5% during 2016. This increase was primarily a result of operating results for 2016.
- The City's total net position increased by \$6,461,000 or 19.6% during the current fiscal year. The increase is the result of the changes described above.
- Total cost of the City's government programs increased \$594,000 or 8.6%. Expenses increased in virtually all departments. The largest contributor to the increase was increased retirement costs due primarily to investment results for the Texas Municipal Retirement System and increased depreciation in the street department of \$170,000 due to the increased investment in infrastructure during the past few years.
- As of September 30, 2016, the City of Livingston's governmental funds reported combined ending fund balances of \$2,387,000 an increase of \$639,000 in comparison with the prior fiscal year. The increase is due primarily to the reduced expenditures for street improvements.
- At the end of the current fiscal year, the unassigned fund balance for the general fund was \$2,372,000 or approximately 35.6% of total general fund expenditures.
- The City's total bonded debt decreased by \$1,040,000 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. The capital projects fund was depleted and closed during the year ended September 30, 2016.

- 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 \$39,457,000 as of September 30, 2016. Analyzing the net position of governmental and business-type activities separately, the business type activities net position is \$34,084,000. 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 (66.13%) 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>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
Current and other assets	\$ 2,716,510	\$ 2,160,325	\$ 15,197,897	\$ 10,233,491	\$ 17,914,407	\$ 12,393,816
Capital assets	12,050,690	12,280,073	42,630,643	42,790,615	54,681,333	55,070,688
Deferred Outflows	<u>1,053,833</u>	<u>503,704</u>	<u>534,551</u>	<u>259,221</u>	<u>1,588,384</u>	<u>762,925</u>
Total assets and deferred outflows of resources	<u>15,821,033</u>	<u>14,944,102</u>	<u>58,363,091</u>	<u>53,283,327</u>	<u>74,184,124</u>	<u>67,464,504</u>
Long-term debt outstanding	7,310,000	8,350,000	21,280,000	21,900,000	28,590,000	30,250,000
Other liabilities	3,059,133	2,367,697	2,958,531	2,613,733	6,017,664	4,981,430
Deferred Inflows	<u>79,566</u>	<u>-</u>	<u>40,390</u>	<u>-</u>	<u>119,956</u>	<u>-</u>
Total liabilities and deferred inflows of resources	<u>10,448,699</u>	<u>10,717,697</u>	<u>24,278,921</u>	<u>24,513,733</u>	<u>34,727,620</u>	<u>35,231,430</u>
Net position (deficit):						
Net invested in capital assets	4,740,690	4,437,694	21,350,643	20,890,615	26,091,333	25,328,309
Restricted	13,362	6,523	123,885	117,270	137,247	123,793
Unrestricted	<u>618,282</u>	<u>(217,812)</u>	<u>12,609,642</u>	<u>7,761,709</u>	<u>13,227,924</u>	<u>7,543,897</u>
Total net position	<u>\$ 5,372,334</u>	<u>\$ 4,226,405</u>	<u>\$ 34,084,170</u>	<u>\$ 28,769,594</u>	<u>\$ 39,456,504</u>	<u>\$ 32,995,999</u>

An additional portion of the City's net position (.3%) represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net position \$13,227,924 may be used to meet the government's ongoing obligations to citizens and creditors.

As of September 30, 2016, the City is able to report positive balances in all three categories of net position. The governmental activities reflected a deficit in unrestricted net position at September 30, 2015 as a result of recording the City's net pension obligation. The City returned to a positive unrestricted net position for governmental activities through transfers from the business-type activities. The business-type activities continue to reflect positive balances in net position.

The governmental activities total assets increased by \$877,000. This increase was primarily related to transfers from the Electric, Water and Sewer Fund and an increase in deferred outflows related to pensions. Long-term debt of governmental activities decreased by \$1,040,000 as a result of the payment on outstanding bonds. The long-term debt of the business type activities decreased by \$620,000 as the City continued amortizing their contract rights with the Trinity River Authority that were used to expand the City's water system.

**Analysis of the City's Operations** Overall the City had an increase in net position of \$6,460,505.

**Governmental Activities**

Governmental activities increased net position by \$1,145,929 from operating activities and transfers from the Electric, Water and Sewer Fund. Net position invested in capital assets, net of related debt increased by \$302,996 or 6.8% due to the repayment of outstanding bonds and investment in equipment, buildings, and infrastructure net of depreciation. Unrestricted net position increased by \$836,094 once again as a result of transfers from the Electric, Water and Sewer Fund.

Total revenues for governmental activities decreased from the previous year by \$88,824. The primary decrease was in grants for street improvements of \$167,250, a decrease in parks and recreation receipts of \$145,807, and an increase of \$109,024 in sales tax revenue which offset some of the declines. Expenses increased by 8.6% and were generally up in most departments due to increase pension costs.

**Business-Type Activities**

Net position from business-type activities increased by \$5,314,576 or 18.5% from \$28,769,594 in 2015 to \$34,084,170 in 2016. The increase was primarily due to electric recoveries of \$6,700,000 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 \$2,663,586.

The following table provides a summary of the City's operations for year ended September 30, 2016 with comparative totals for year ended September 30, 2015.

**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>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
Revenues:						
Program Revenues:						
Charges for						
Services	\$ 1,716,759	\$ 1,797,478	\$ 22,691,589	\$ 19,551,817	\$ 24,408,348	\$ 21,349,295
Capital Grants & Contributions	52,350	219,600	-	-	52,350	219,600
Operating Grants & Contributions	142,999	86,898	-	-	142,999	86,898
General Revenues:						
Property tax	-	-	-	-	-	-
Sales tax	3,597,499	3,488,475	-	-	3,597,499	3,488,475
Franchise tax	136,844	142,040	-	-	136,844	142,040
Hotel/Motel tax	296,831	297,152	-	-	296,831	297,152
Investment earnings	2,926	3,389	8,185	8,930	11,111	12,319
Total Revenues	<u>5,946,208</u>	<u>6,035,032</u>	<u>22,699,774</u>	<u>19,560,747</u>	<u>28,645,982</u>	<u>25,595,779</u>
Expenses:						
Administration	697,407	629,168	-	-	697,407	629,168
Sanitation	701,452	701,377	-	-	701,452	701,377
Fire	473,390	431,539	-	-	473,390	431,539
Police	2,171,640	1,992,910	-	-	2,171,640	1,992,910
Paving & Street	1,356,218	1,082,684	-	-	1,356,218	1,082,684
Parks & Recreation	1,061,374	1,060,084	-	-	1,061,374	1,060,084
Library	515,985	476,226	-	-	515,985	476,226
Garage	234,349	217,587	-	-	234,349	217,587
Interest on long-term debt	252,050	278,500	-	-	252,050	278,500
Electric, Water, and Sewer	-	-	14,721,612	14,628,936	14,721,612	14,628,936
Total Expenses	<u>7,463,865</u>	<u>6,870,075</u>	<u>14,721,612</u>	<u>14,628,936</u>	<u>22,185,477</u>	<u>21,499,011</u>
Excess (deficiency) before transfers	(1,517,657)	(835,043)	7,978,162	4,931,811	6,460,505	4,096,768
Transfers, net	<u>2,663,586</u>	<u>2,347,835</u>	<u>(2,663,586)</u>	<u>(2,347,835)</u>	<u>-</u>	<u>-</u>
Increase (decrease) in net position	1,145,929	1,512,792	5,314,576	2,583,976	6,460,505	4,096,768
Net position - October 1	4,226,405	4,248,390	28,769,594	26,986,014	32,995,999	31,234,404
Change in Accounting	-	(1,534,777)	-	(800,396)	-	(2,335,173)
Net position - September 30	<u>\$ 5,372,334</u>	<u>\$ 4,226,405</u>	<u>\$ 34,084,170</u>	<u>\$ 28,769,594</u>	<u>\$ 39,456,504</u>	<u>\$ 32,995,999</u>

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

### **Governmental Funds**

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

At the end of the current fiscal year, the City of Livingston's governmental funds reported combined ending fund balances of \$2,386,889. Approximately 99.3% of the total amount (\$2,372,108) 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 (\$13,362) and library (\$1,419) capital improvements.

The unassigned fund balance of the general fund increased by \$1,140,662 from the prior year. The increase was the result of increased transfers from the Electric Water and Sewer fund. The restricted fund balance of the general fund decreased by \$1,002 from the prior year. The decrease was due to the expenditure of receipts of library memorial funds for the purchase of library books.

In the general fund, the City budgeted for a loss of approximately \$29,950 on a GAAP basis. Due to an increase in expected transfers from the proprietary fund of \$865,878, the actual fund balance increased by \$1,139,660.

The capital projects fund balance was fully expended during the year ended September 30, 2016 for street improvements and transfers to the proprietary fund for water system improvements.

### **Proprietary Fund**

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

Unrestricted net position of the proprietary fund was \$12,609,642. Total unrestricted net position increased in 2016 by \$4,847,933. As previously described, the increase in the net position was primarily the result of electric recoveries from the Cambridge Project.

### **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 \$409,775 or 7.6%. The increase in budgeted revenues was primarily for an increase in sales tax revenues. Budgeted expenditures were increased by \$471,040 or 7.2%. The increases in budgeted expenditures were primarily for increased street improvement projects.

## CAPITAL ASSET AND DEBT ADMINISTRATION

### Capital Assets

At the end of the fiscal year 2016, the City had \$54,681,333 (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 decrease in the City's investment in capital assets for the current fiscal year was .7% (1.9% decrease for governmental activities and a .4% decrease 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>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
Land	\$ 476,004	\$ 476,004	\$ 694,222	\$ 694,222	\$ 1,170,226	\$ 1,170,226
Water Rights	-	-	21,280,000	21,900,000	21,280,000	21,900,000
Buildings and improvements	4,068,322	4,118,536	296,041	307,534	4,364,363	4,426,070
Equipment and fixtures	1,364,324	1,258,690	415,652	473,256	1,779,976	1,731,946
Paving, sidewalks and streets	5,222,211	5,418,340	-	-	5,222,211	5,418,340
Parks development	814,312	893,488	-	-	814,312	893,488
Airport improvements	105,517	115,015	-	-	105,517	115,015
Utility systems	-	-	19,944,728	19,415,603	19,944,728	19,415,603
<b>Total</b>	<b>\$ 12,050,690</b>	<b>\$ 12,280,073</b>	<b>\$ 42,630,643</b>	<b>\$ 42,790,615</b>	<b>\$ 54,681,333</b>	<b>\$ 55,070,688</b>

This year's major additions included:

Police dispatch	\$ 60,931
Police vehicle	41,619
Various street improvements	651,103
Parks equipment	52,957
Parks ballfields	62,816
Garage wash house	41,972
Utility System Improvements	934,683
<b>Total</b>	<b>\$ 1,846,081</b>

The City's fiscal year 2017 capital budget calls for it to spend another \$2,931,000 for capital projects, principally for street improvements (\$660,000), police patrol cars (\$87,000), fire ladder truck (\$50,000), park vehicle and office construction (\$116,000), garage improvements (\$115,000), electrical system improvements (\$440,000), and water and sewer system improvements (\$1,255,000). 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 \$7,310,000 in bonds outstanding as compared to \$8,350,000 at the end of the prior fiscal year, a decrease of 12.5% - 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>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
General obligation bonds (backed by the City)	\$ 1,510,000	\$ 2,500,000	\$ -	\$ -	\$ 1,510,000	\$ 2,500,000
Certificates of obligation (backed by the City)	<u>5,800,000</u>	<u>5,850,000</u>	<u>-</u>	<u>-</u>	<u>5,800,000</u>	<u>5,850,000</u>
<b>Totals</b>	<b>\$ 7,310,000</b>	<b>\$ 8,350,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 7,310,000</b>	<b>\$ 8,350,000</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 2016 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 2016-2017 budget due to the uncertainty of economic trends in the national and local economies. Increases in sanitation rates were approved by the City Council effective October 1, 2016 and are included in the 2016-2017 fiscal year 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 12.6% of the City's total annual operating revenue. For the fiscal year ended September 30, 2016, sales tax revenue increased by 3.1%.

As for the City's business-type activities, fees for electric, water and sewer services account for about 79.2% of the city's total annual operating revenue. The City is hopeful that new commercial construction will increase in 2017 bringing with it new sales tax revenue, development fees, utility service fees, and employment opportunities.

The City strives to provide an effective, cost-efficient range of services which the citizens have come to expect. To do so, requires the administrative staff to be especially resourceful in developing new revenue sources to fund the expanded range of services. The City Council and management staff are committed to the general philosophy of "pay as you go". In general, the City provides services (general government, public safety, streets, parks and recreation, library and utilities) at a cost per capita that is comparable to or below other communities with similar demographic and economic characteristics. As the City moves forward into 2017, 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, 2016**

	<u>PRIMARY GOVERNMENT</u>		
	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
<u>ASSETS</u>			
Cash	\$ 2,684,858	\$ 11,788,016	\$ 14,472,874
Certificates of deposit	-	1,500,000	1,500,000
Receivables:			
Returned checks receivable	3,468	31,469	34,937
Paving accounts receivable	28,184	-	28,184
Utility accounts receivable	-	1,754,527	1,754,527
Restricted assets - cash	-	123,885	123,885
Capital assets (net of accumulated depreciation):			
Land	476,004	694,222	1,170,226
Buildings and improvements	4,068,322	296,041	4,364,363
Equipment and fixtures	1,364,324	415,652	1,779,976
Paving, sidewalks and streets	5,222,211	-	5,222,211
Parks development	814,312	-	814,312
Airport improvements	105,517	-	105,517
Electrical system	-	3,997,919	3,997,919
Water system	-	9,242,642	9,242,642
Sewer system	-	6,704,167	6,704,167
Water service contract rights	-	21,280,000	21,280,000
Total Assets	<u>14,767,200</u>	<u>57,828,540</u>	<u>72,595,740</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Amounts related to pensions			
Contributions after December 31, 2015	315,720	159,866	475,586
Difference in expected and actual experience	<u>738,113</u>	<u>374,685</u>	<u>1,112,798</u>
Total Deferred Outflows of Resources	<u>1,053,833</u>	<u>534,551</u>	<u>1,588,384</u>
Combined Assets and Deferred Outflows of Resources	<u>\$ 15,821,033</u>	<u>\$ 58,363,091</u>	<u>\$ 74,184,124</u>

See accompanying notes to financial statements

**CITY OF LIVINGSTON, TEXAS**  
**GOVERNMENT-WIDE STATEMENT OF NET POSITION**  
**SEPTEMBER 30, 2016**

	<u>PRIMARY GOVERNMENT</u>		
	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
<u>LIABILITIES</u>			
Accounts payable	\$ 329,621	\$ 1,042,163	\$ 1,371,784
Meter deposits	-	530,798	530,798
Net pension liability	2,729,512	1,385,570	4,115,082
Noncurrent Liabilities:			
Due within one year	1,070,000	635,000	1,705,000
Due in more than one year	<u>6,240,000</u>	<u>20,645,000</u>	<u>26,885,000</u>
Total Liabilities	<u>10,369,133</u>	<u>24,238,531</u>	<u>34,607,664</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Amounts related to pensions			
Difference in actual experience and assumptions	<u>79,566</u>	<u>40,390</u>	<u>119,956</u>
Total Deferred Inflows of Resources	<u>79,566</u>	<u>40,390</u>	<u>119,956</u>
Combined Liabilities and Deferred Inflows of Resources	<u>10,448,699</u>	<u>24,278,921</u>	<u>34,727,620</u>
<u>NET POSITION</u>			
Net investment in capital assets	4,740,690	21,350,643	26,091,333
Restricted for:			
System improvements	-	61,800	61,800
Debt service	13,362	62,085	75,447
Unrestricted	<u>618,282</u>	<u>12,609,642</u>	<u>13,227,924</u>
Total Net Position	<u>\$ 5,372,334</u>	<u>\$ 34,084,170</u>	<u>\$ 39,456,504</u>

See accompanying notes to financial statements

**CITY OF LIVINGSTON, TEXAS**  
**GOVERNMENT-WIDE STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2016**

FUNCTIONS/PROGRAMS	Expenses	Program Revenues		
		Charges for Services	Capital Grants and Contributions	Operating Grants and Contributions
Governmental activities:				
Administrative	\$ 697,407	\$ 91,839	\$ -	\$ -
Sanitation	701,452	1,102,931	-	-
Fire	473,390	-	-	68,023
Police	2,171,640	315,638	-	63,550
Paving and street	1,356,218	2,219	52,350	-
Parks and recreation	1,061,374	186,002	-	-
Library	515,985	18,130	-	11,426
Garage	234,349	-	-	-
Interest on long-term debt	252,050	-	-	-
Total governmental activities	<u>7,463,865</u>	<u>1,716,759</u>	<u>52,350</u>	<u>142,999</u>
Business-type activities:				
Electric, water and sewer	<u>14,721,612</u>	<u>22,691,589</u>	<u>-</u>	<u>-</u>
Total business-type activities	<u>14,721,612</u>	<u>22,691,589</u>	<u>-</u>	<u>-</u>
Total primary government	<u>\$ 22,185,477</u>	<u>\$ 24,408,348</u>	<u>\$ 52,350</u>	<u>\$ 142,999</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				
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>
\$ (605,568)	\$ -	\$ (605,568)
401,479	-	401,479
(405,367)	-	(405,367)
(1,792,452)	-	(1,792,452)
(1,301,649)	-	(1,301,649)
(875,372)	-	(875,372)
(486,429)	-	(486,429)
(234,349)	-	(234,349)
(252,050)	-	(252,050)
<u>(5,551,757)</u>	<u>-</u>	<u>(5,551,757)</u>
<u>-</u>	<u>7,969,977</u>	<u>7,969,977</u>
<u>-</u>	<u>7,969,977</u>	<u>7,969,977</u>
<u>(5,551,757)</u>	<u>7,969,977</u>	<u>2,418,220</u>
3,597,499	-	3,597,499
136,844	-	136,844
296,831	-	296,831
2,926	8,185	11,111
<u>2,663,586</u>	<u>(2,663,586)</u>	<u>-</u>
<u>6,697,686</u>	<u>(2,655,401)</u>	<u>4,042,285</u>
1,145,929	5,314,576	6,460,505
4,226,405	28,769,594	32,995,999
<u>\$ 5,372,334</u>	<u>\$ 34,084,170</u>	<u>\$ 39,456,504</u>

See accompanying notes to financial statements

**CITY OF LIVINGSTON, TEXAS  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
SEPTEMBER 30, 2016**

	<u>General</u>	<u>Debt Service</u>
<b><u>ASSETS</u></b>		
Cash	\$ 2,671,496	\$ 13,362
Receivables:		
Returned checks receivable	3,468	-
Paving accounts receivable	<u>28,184</u>	<u>-</u>
Total Assets	<u>\$ 2,703,148</u>	<u>\$ 13,362</u>
<b><u>LIABILITIES</u></b>		
Accounts payable	\$ 329,621	\$ -
Total Liabilities	<u>329,621</u>	<u>-</u>
<b><u>FUND BALANCES</u></b>		
Restricted for:		
Library Memorials	1,419	-
Debt Service	-	13,362
Unassigned	<u>2,372,108</u>	<u>-</u>
Total Fund Balances	<u>2,373,527</u>	<u>13,362</u>
Total Liabilities and Fund Balances	<u>\$ 2,703,148</u>	<u>\$ 13,362</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  
Deferred inflows of resources related to pensions for difference in plan experience  
and assumptions.  
Bonds payable

Net position of governmental activities

See accompanying notes to financial statements



**Total  
Governmental  
Funds**

---

\$ 2,684,858

3,468  
28,184

---

\$ 2,716,510

---

\$ 329,621

---

329,621

---

1,419  
13,362  
2,372,108

---

2,386,889

12,050,690

1,053,833

(2,729,512)

(79,566)  
(7,310,000)

---

\$ 5,372,334

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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, 2016**

	<u>General</u>	<u>Debt Service</u>
<b>REVENUES</b>		
Taxes:		
Sales taxes	\$ 3,597,499	\$ -
Franchise taxes	136,844	-
Hotel/Motel taxes	296,831	-
Licenses and permits	61,394	-
Charges for service	1,357,043	-
Fines and forfeitures	298,337	-
Miscellaneous	189,117	1,067
Total Revenues	<u>5,937,065</u>	<u>1,067</u>
<b>EXPENDITURES</b>		
Current:		
Administrative	584,899	-
Sanitation	701,332	-
Fire	438,882	-
Police	2,047,847	-
Paving and street	1,172,773	-
Parks and recreation	1,066,921	-
Library	395,455	-
Garage	250,905	-
Debt service:		
Principal retirement	-	1,040,000
Interest	-	252,050
Capital outlay:		
Street improvements	-	-
Total Expenditures	<u>6,659,014</u>	<u>1,292,050</u>
Deficiency of revenues over expenditures	<u>(721,949)</u>	<u>(1,290,983)</u>
<b>OTHER FINANCING SOURCES (USES)</b>		
Transfers in	3,159,431	1,297,822
Transfers out	(1,297,822)	-
Total other financing sources (uses)	<u>1,861,609</u>	<u>1,297,822</u>
Net change in fund balances	1,139,660	6,839
Fund Balances - beginning	<u>1,233,867</u>	<u>6,523</u>
Fund Balances - ending	<u>\$ 2,373,527</u>	<u>\$ 13,362</u>

See accompanying notes to financial statements

<u>Capital Projects</u>	<u>Total Governmental Funds</u>
\$ -	\$ 3,597,499
-	136,844
-	296,831
-	61,394
-	1,357,043
-	298,337
-	190,184
-	<u>5,938,132</u>
-	584,899
-	701,332
-	438,882
-	2,047,847
-	1,172,773
-	1,066,921
-	395,455
-	250,905
-	1,040,000
-	252,050
11,775	11,775
<u>11,775</u>	<u>7,962,839</u>
(11,775)	(2,024,707)
-	4,457,253
(495,845)	(1,793,667)
<u>(495,845)</u>	<u>2,663,586</u>
(507,620)	638,879
<u>507,620</u>	<u>1,748,010</u>
\$ -	\$ <u>2,386,889</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, 2016**

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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	\$ 638,879
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.	(229,388)
Change in the net pension liability reported as an increase in pension expense in the statement of activities	(303,562)
The issuance of long-term debt (e.g., bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.	<u>1,040,000</u>
Changes in net position of governmental activities	<u>\$ 1,145,929</u>

See accompanying notes to financial statements

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**CITY OF LIVINGSTON, TEXAS**  
**GENERAL FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET (GAAP BASIS) AND ACTUAL**  
**YEAR ENDED SEPTEMBER 30, 2016**

	Budgeted Amounts GAAP Basis		
	Original	Revisions	Final
<b>REVENUES</b>			
Taxes:			
Sales taxes	\$ 3,200,000	\$ 300,000	\$ 3,500,000
Franchise taxes	140,000	-	140,000
Hotel/Motel taxes	300,000	-	300,000
Licenses and permits	44,700	4,800	49,500
Charges for service	1,305,711	25,625	1,331,336
Fines and forfeitures	291,000	4,850	295,850
Miscellaneous	135,300	74,500	209,800
Total Revenues	<u>5,416,711</u>	<u>409,775</u>	<u>5,826,486</u>
<b>EXPENDITURES</b>			
Current:			
Administrative	641,010	(8,010)	633,000
Sanitation	705,000	(8,000)	697,000
Fire	418,500	11,375	429,875
Police	2,004,350	48,650	2,053,000
Paving and street	1,070,230	381,545	1,451,775
Parks and recreation	1,039,900	47,525	1,087,425
Library	394,650	8,450	403,100
Garage	262,070	(10,495)	251,575
Total Expenditures	<u>6,535,710</u>	<u>471,040</u>	<u>7,006,750</u>
Deficiency of revenues over expenditures	<u>(1,118,999)</u>	<u>(61,265)</u>	<u>(1,180,264)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	2,262,238	31,315	2,293,553
Transfers out	(1,143,239)	-	(1,143,239)
Total other financing sources and (uses)	<u>1,118,999</u>	<u>31,315</u>	<u>1,150,314</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	<u>\$ -</u>	<u>\$ (29,950)</u>	<u>\$ (29,950)</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>
\$ 3,597,499	\$ 97,499
136,844	(3,156)
296,831	(3,169)
61,394	11,894
1,357,043	25,707
298,337	2,487
189,117	(20,683)
<u>5,937,065</u>	<u>110,579</u>
584,899	48,101
701,332	(4,332)
438,882	(9,007)
2,047,847	5,153
1,172,773	279,002
1,066,921	20,504
395,455	7,645
250,905	670
<u>6,659,014</u>	<u>347,736</u>
<u>(721,949)</u>	<u>458,315</u>
3,159,431	865,878
<u>(1,297,822)</u>	<u>(154,583)</u>
<u>1,861,609</u>	<u>711,295</u>
1,139,660	<u>\$ 1,169,610</u>
<u>1,233,867</u>	
<u>\$ 2,373,527</u>	

See accompanying notes to financial statements

**CITY OF LIVINGSTON, TEXAS**  
**STATEMENT OF NET POSITION PROPRIETARY FUNDS**  
**SEPTEMBER 30, 2016**

**Business-Type Activities - Enterprise Fund**

	<b><u>Electric Water and Sewer</u></b>
<b><u>ASSETS</u></b>	
Current assets:	
Cash	\$ 11,788,016
Certificates of deposit	1,500,000
Restricted assets	
Cash in bank, water and sewer system improvements	61,800
Cash in bank, reserve fund	62,085
Receivables:	
Returned checks receivable	31,469
Utility accounts receivable	<u>1,754,527</u>
Total current assets	<u>15,197,897</u>
Noncurrent assets:	
Capital assets:	
Land	694,222
Building and improvements	507,925
Equipment and fixtures	2,407,496
Electrical system	5,762,705
Water system	11,913,215
Sewer system	9,674,895
Water service contract rights	<u>21,280,000</u>
	52,240,458
Less accumulated depreciation	<u>(9,609,815)</u>
Net capital assets	<u>42,630,643</u>
Deferred outflows of resources:	
Amounts related to pensions	
Contributions after December 31, 2015	159,866
Difference in expected and actual experience	<u>374,685</u>
Total Deferred Outflows of Resources	<u>534,551</u>
Total Noncurrent Assets and Deferred Outflows of Resources	<u>43,165,194</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 58,363,091</u>

See accompanying notes to financial statements



**CITY OF LIVINGSTON, TEXAS**  
**STATEMENT OF NET POSITION PROPRIETARY FUNDS**  
**SEPTEMBER 30, 2016**

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**Business-Type Activities - Enterprise Fund**

**Electric  
Water and  
Sewer**

**LIABILITIES**

Current liabilities:

Accounts payable	\$ 1,042,163
Meter deposits	530,798
Net pension liability	1,385,570
Contracts payable - Trinity River Authority	<u>635,000</u>
Total current liabilities	<u>3,593,531</u>

Noncurrent liabilities:

Contracts payable - Trinity River Authority	<u>20,645,000</u>
Total noncurrent liabilities	<u>20,645,000</u>

Total liabilities	<u>24,238,531</u>
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Deferred inflows of resources:

Amounts related to pensions	
Difference in actual experience and assumptions	<u>40,390</u>

Total Deferred Inflows of Resources	<u>40,390</u>
-------------------------------------	---------------

Total Liabilities and Deferred Inflows of Resources	<u>24,278,921</u>
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**NET POSITION**

Net investment in capital assets	21,350,643
Restricted for water and sewer system improvements	61,800
Restricted for Trinity River Authority contracts payable	62,085
Unrestricted	<u>12,609,642</u>

Total Net Position	<u>\$ 34,084,170</u>
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**CITY OF LIVINGSTON, TEXAS**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION**  
**PROPRIETARY FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2016**

**Business-Type Activities - Enterprise Fund**

**Electric  
Water and  
Sewer**

Operating revenues

Charges for sales and services:

Electricity sales	\$ 9,570,318
Water sales	2,893,123
Sewer service charges	2,075,270
Penalties, utilities	143,863
Water tapping fees	13,385
Sewer tapping fees	5,300
Recoveries, electrical	7,795,569
Recoveries, water	41,044
Revenue, night lights	97,096
Service fees	56,621
Total Operating Revenues	<u>22,691,589</u>

Operating expenses

Light and Power Department	9,779,458
Water Department	3,724,304
Sewer Department	709,883
Depreciation	507,967
Total Operating Expenses	<u>14,721,612</u>

Operating Income	7,969,977
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Non-operating revenues:

Interest income	<u>8,185</u>
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Income Before Transfers	7,978,162
-------------------------	-----------

Transfers In	495,845
Transfers Out	<u>(3,159,431)</u>

Change in net position	5,314,576
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Total net position - beginning	<u>28,769,594</u>
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Total net position - ending	<u>\$ 34,084,170</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, 2016**

**Business-Type Activities - Enterprise Fund**

	<b><u>Electric Water and Sewer</u></b>
Cash flows from operating activities:	
Cash received from customers	\$ 22,619,537
Cash payments to suppliers for goods and services	(12,681,065)
Cash payments to employees for services	<u>(1,422,719)</u>
Net cash provided by operating activities	<u>8,515,753</u>
Cash flows from noncapital financing activities:	
Transfers from other funds	495,845
Transfers to other funds	<u>(3,159,431)</u>
Net cash used by noncapital financing activities	<u>(2,663,586)</u>
Cash flows from capital and related financing activities:	
Acquisition of capital assets	<u>(967,998)</u>
Net cash used for capital and related financing activities	<u>(967,998)</u>
Cash flows from investing activities:	
Interest on cash and investments	<u>8,185</u>
Net cash provided by investing activities	<u>8,185</u>
Net Change in Cash and Cash Equivalents	4,892,354
Cash and Cash Equivalents at Beginning of Year	<u>7,019,547</u>
Cash and Cash Equivalents at End of Year	<u>\$ 11,911,901</u>

(Continued)

**CITY OF LIVINGSTON, TEXAS  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

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**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	\$ 7,969,977
Adjustments to reconcile operating net income to net cash provided by operating activities:	
Depreciation	507,967
Change in operating assets and liabilities:	
Returned checks receivable	(840)
Utility accounts receivable	(71,212)
Deferred outflows	(275,330)
Accounts payable	(26,611)
Meter deposits	9,290
Net pension liability	362,122
Deferred inflows	<u>40,390</u>
Total adjustments	<u>545,776</u>
Net cash provided by operating activities	<u>\$ 8,515,753</u>
Reconciliation of total cash and cash investments:	
Unrestricted	\$ 11,788,016
Restricted	
Cash in bank, water and sewer system improvements	61,800
Cash in bank, reserve fund	<u>62,085</u>
Total cash and cash equivalents	<u>\$ 11,911,901</u>
	(Concluded)

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

**CITY OF LIVINGSTON, TEXAS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2016**

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

The following notes are organized to provide explanations, including required disclosures, of the City's financial activities for the fiscal year ended September 30, 2016.

**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.



**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, 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, 2016 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 Balance

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 balances 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 and inflows 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, 2016.

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, 2016:

<u>Fund</u>	<u>Transfer In</u>	<u>Transfer Out</u>
General Fund	\$ 3,159,431	\$ 1,297,822
Debt Service Fund	1,297,822	-
Capital Projects Fund	-	495,845
Electric, Water and Sewer Fund	495,845	3,159,431
Total	<u>\$ 4,953,098</u>	<u>\$ 4,953,098</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 was required to 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 ended September 30, 2015 was 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 ended September 30, 2015 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, 2016, the City had the following investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (Years)</u>
Non-Pooled Certificates of Deposit	\$ 1,500,000	0.238
Total Fair Value	\$ 1,500,000	
Portfolio weighted average maturity		0.238

**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, 2016 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, 2016.

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 2016.

**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, 2016:

Governmental funds capital outlays	\$ 1,066,261
Governmental funds depreciation expense	(1,295,649)
Amount by which capital outlays exceeded depreciation	<u>\$ (229,388)</u>
Pension Expense based on contributions	\$427,861
Pension Expense based on change in net pension liability	(731,423)
Amount by which pension expense exceeded pension contributions	<u>\$ (303,562)</u>
Repayment of principal of long-term debt	\$ 1,040,000
Total bonds issued and repayment of bonds	<u>\$ 1,040,000</u>

**NOTE 6 CAPITAL ASSETS:**

Capital asset activity for the year ended September 30, 2016 was as follows:

	Balance October 1, 2015	Additions	Retirements/ Adjustments	Balance September 30, 2016
<b>Governmental Activities:</b>				
Capital assets not being depreciated				
Land	\$ 476,004	\$ -	\$ -	\$ 476,004
Capital assets being depreciated				
Building and Improvements	6,490,430	152,247	-	6,642,677
Equipment and Fixtures	5,807,775	378,477	67,758	6,118,494
Paving, Sidewalks and Streets	15,887,191	535,537	(1)	16,422,729
Parks Development	3,472,336	-	-	3,472,336
Airport Improvements	719,574	-	(1)	719,575
Total capital assets being depreciated	<u>32,377,306</u>	<u>1,066,261</u>	<u>67,756</u>	<u>33,375,811</u>
Less accumulated depreciation for:				
Buildings and Improvements	(2,371,894)	(202,461)	-	(2,574,355)
Equipment and Fixtures	(4,549,085)	(272,843)	67,758	(4,754,170)
Paving, Sidewalks and Streets	(10,468,851)	(731,667)	-	(11,200,518)
Parks Development	(2,578,848)	(79,176)	-	(2,658,024)
Airport Improvements	(604,559)	(9,502)	3	(614,058)
Total accumulated depreciation	<u>(20,573,237)</u>	<u>(1,295,649)</u>	<u>67,761</u>	<u>(21,801,125)</u>
Total capital assets being depreciated, net	<u>11,804,069</u>	<u>(229,388)</u>	<u>(5)</u>	<u>11,574,686</u>
Governmental activities capital assets, net	<u>\$ 12,280,073</u>	<u>\$ (229,388)</u>	<u>\$ (5)</u>	<u>\$ 12,050,690</u>

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

	Balance October 1, 2015	Additions	Retirements/ Adjustments	Balance September 30, 2016
Business-type Activities:				
Capital assets not being depreciated				
Land	\$ 694,222	\$ -	\$ -	\$ 694,222
Water Service Contract Rights	21,900,000	-	620,000	21,280,000
	<u>22,594,222</u>	<u>-</u>	<u>620,000</u>	<u>21,974,222</u>
Capital assets being depreciated				
Building and Improvements	507,925	-	-	507,925
Equipment and Fixtures	2,375,474	32,022	-	2,407,496
Electrical System	5,506,881	255,824	-	5,762,705
Water System	11,789,111	124,104	-	11,913,215
Sewer System	<u>9,118,849</u>	<u>556,046</u>	<u>-</u>	<u>9,674,895</u>
Total capital assets being depreciated	<u>29,298,240</u>	<u>967,996</u>	<u>-</u>	<u>30,266,236</u>
Less accumulated depreciation for:				
Building and Improvements	(200,391)	(11,493)	-	(211,884)
Equipment and Fixtures	(1,902,218)	(89,626)	-	(1,991,844)
Electrical System	(1,681,663)	(83,123)	-	(1,764,786)
Water System	(2,489,226)	(181,347)	-	(2,670,573)
Sewer System	<u>(2,828,349)</u>	<u>(142,378)</u>	<u>(1)</u>	<u>(2,970,728)</u>
Total accumulated depreciation	<u>(9,101,847)</u>	<u>(507,967)</u>	<u>(1)</u>	<u>(9,609,815)</u>
Total capital assets being depreciated, net	<u>20,196,393</u>	<u>460,029</u>	<u>1</u>	<u>20,656,421</u>
Business-type activities capital assets, net	<u>\$ 42,790,615</u>	<u>\$ 460,029</u>	<u>\$ 620,001</u>	<u>\$ 42,630,643</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 2016, 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	\$ 46,461
Sanitation	120
Fire	41,056
Police	126,690
Paving and street	794,646
Parks and recreation	138,214
Library	130,659
Garage	17,800
Governmental Activities	<u>\$ 1,295,646</u>
Business-type activities	
Electric, Water and Street	<u>\$ 507,967</u>

The City's had no active construction projects as of September 30, 2016, but has plans for spending up to \$700,000 for street and \$1,700,000 for electric, 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.tmr.com](http://www.tmr.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 30-year closed period for amortization with 30 years remaining.

Employees covered by benefit terms at the December 31, 2015 valuation and measurement date are as follows:

Inactive employees or beneficiaries currently receiving benefits	36
Inactive employees entitled to but not yet receiving benefits	14
Active employees	<u>81</u>
Total	<u>131</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, 2016, were \$629,618, and were equal to the required contributions.

### Net Pension Liability

The City's Net Pension Liability (NPL) was measured as of December 31, 2015 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, 2015 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year
Overall payroll growth	3.5% per year
Investment Rate of Return	6.75% 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, 2015 valuation were based on the results of actuarial experience studies. The experience study in TMRS was for the period January 1, 2010 through December 31, 2014, last updated for the December 31, 2015 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 2015 valuation.

The long-term expected rate of return on pension plan investments is 6.75%. 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%	4.55%
International Equity	17.5%	6.10%
Core Fixed Income	10.0%	1.00%
Non-Core Fixed Income	20.0%	3.65%
Real Return	10.0%	4.03%
Real Estate	10.0%	5.00%
Absolute Return	10.0%	4.00%
Private Equity	<u>5.0%</u>	8.00%
Total	<u>100.0%</u>	

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

**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 12/31/14	\$ 23,278,119	\$ 20,299,289	\$ 2,978,830
Changes for the year:			
Service cost	568,239	-	568,239
Interest	1,617,245	-	1,617,245
Change of benefit terms	-	-	-
Difference between expected and actual experience	(214,821)	-	(214,821)
Changes in assumptions	69,611	-	69,611
Contributions - Employer	-	629,618	(629,618)
Contributions - Employee	-	263,597	(263,597)
Net Investment Income	-	29,953	(29,953)
Benefit payments, including refunds of employee contributions	(917,464)	(917,464)	-
Administrative expense	-	(18,244)	18,244
Other changes	-	(902)	902
Net changes	<u>1,122,810</u>	<u>(13,442)</u>	<u>1,136,252</u>
Balance at 12/31/15	<u>\$ 24,400,929</u>	<u>\$ 20,285,847</u>	<u>\$ 4,115,082</u>

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

	<u>1% Decrease 5.75%</u>	<u>Current Single Rate Assumption 6.75%</u>	<u>1% Increase 7.75%</u>
City's net pension liability	\$ 7,481,324	\$ 4,115,082	\$ 1,339,132

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, 2016, the City recognized pension expense of \$1,070,311. At September 30, 2016, the City reported deferred outflows and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual economic experience	\$ 1,112,798	\$ -
Difference between projected and actual investment earnings	-	119,956
Contributions subsequent to the measurement date (December 31, 2015)	<u>475,586</u>	<u>-</u>
Total	<u>\$ 1,588,384</u>	<u>\$ 119,956</u>

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

\$475,586 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, 2016. Other amounts reported as deferred outflows of resources related to pensions will be recognized in pension expense as follows:

	Net deferred outflows (inflows) of resources
2016	\$ 201,698
2017	201,698
2018	201,698
2019	201,698
2020	201,698
Thereafter	(15,648)
Total	<u>\$ 992,842</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 2015 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, 2016, 2015, and 2014 were \$10,187, \$12,117, and \$9,432, respectively, which equaled the required contributions each year. The valuation date for the plan is December 31, 2015 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, 2016:

	<u>Governmental-Type Activities</u>
\$3,100,000 General Obligation Refunding Bonds, 2012 Series due in annual installments of \$435,000 to \$580,000 through 2018, interest at 1.50% to be paid from taxes and subordinated pledge of the net revenues of Proprietary Fund	\$ 1,070,000
\$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	5,800,000
\$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>440,000</u>
Total Bonds Payable	<u>\$ 7,310,000</u>

**Changes in Outstanding Debt-**

	<u>Balance October 1, 2015</u>	<u>Payments or Expenditures</u>	<u>Balance September 30, 2016</u>	<u>Due Within One Year</u>
<u>Governmental Type Activities</u>				
General Obligation Bonds	\$ 2,500,000	\$ 990,000	\$ 1,510,000	\$1,020,000
Certificates of Obligation	<u>5,850,000</u>	<u>50,000</u>	<u>5,800,000</u>	<u>50,000</u>
Total government	<u>\$ 8,350,000</u>	<u>\$ 1,040,000</u>	<u>\$ 7,310,000</u>	<u>\$ 1,070,000</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, 2016, are as follows:

**General Obligation Bonds**

Year Ending Sept. 30,	Governmental Activities		
	Principal	Interest	Total
2017	\$ 1,020,000	\$ 33,650	\$ 1,053,650
2018	490,000	7,350	497,350
Total	<u>\$ 1,510,000</u>	<u>\$ 41,000</u>	<u>\$ 1,551,000</u>

**Certificates of Obligation**

Year Ending Sept. 30,	Governmental Activities		
	Principal	Interest	Total
2017	\$ 50,000	\$ 193,050	\$ 243,050
2018	50,000	191,400	241,400
2019	220,000	188,100	408,100
2020	230,000	180,840	410,840
2021	235,000	173,250	408,250
2022-2037	<u>5,015,000</u>	<u>1,519,980</u>	<u>6,534,980</u>
Total	<u>\$ 5,800,000</u>	<u>\$ 2,446,620</u>	<u>\$ 8,246,620</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, 2016, the City paid approximately \$1,580,000 into the interest and sinking fund. The annual principal and interest payments applicable to the TRA's bonds through maturity are in the following amounts:

<u>Calendar Year</u>	<u>Amount Per Year</u>
2017	1,581,363
2018	1,582,312
2019	1,582,663
2020	1,577,412
2021	1,580,713
2022-2038	26,526,937
Total	<u>\$ 34,431,400</u>

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

<u>Business Type Activities</u>	<u>Balance October 1, 2015</u>	<u>Issues or Additions</u>	<u>Payments or Expenditures</u>	<u>Balance September 30, 2016</u>	<u>Due Within One Year</u>
Contracts payable	\$ 21,900,000	\$ -	\$ 620,000	\$ 21,280,000	\$ 635,000
Total business	<u>\$ 21,900,000</u>	<u>\$ -</u>	<u>\$ 620,000</u>	<u>\$ 21,280,000</u>	<u>\$ 635,000</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.

Reflected in the revenues for the Electric, Water and Sewer Fund is a recovery of the City's pro rata share of the Cambridge Project revenue of \$6,500,000 (a separate wholesale power supply contract that allows the Agency to utilize excess capacity and make distributions of profit back to the participating cities), and a refund of excess debt service coverage of \$1,266,623.

## **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, 2016 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 \$52,000 in federal and local grants in 2016 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 is 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)**

	<u>2014</u>	<u>2015</u>
<b>Total pension liability</b>		
Service Cost	\$ 496,383	\$ 568,239
Interest (on the Total Pension Liability)	1,523,437	1,617,245
Changes of benefit terms	-	-
Difference between expected and actual experience	117,800	(214,821)
Change of assumptions	-	69,611
Benefit payments, including refunds of employee contributions	<u>(749,395)</u>	<u>(917,464)</u>
<b>Net Change in Total Pension Liability</b>	1,388,225	1,122,810
<b>Total Pension Liability - Beginning</b>	<u>21,889,894</u>	<u>23,278,119</u>
<b>Total Pension Liability - Ending</b>	<u>\$23,278,119</u>	<u>\$ 24,400,929</u>
<b>Plan Fiduciary Net Position</b>		
Contributions Employer	\$ 624,014	\$ 629,618
Contributions Employee	255,893	263,597
Net Investment Income	1,092,015	29,953
Benefit payments, including refunds of employee contributions	(749,395)	(917,464)
Administrative Expense	(11,401)	(18,244)
Other	<u>(937)</u>	<u>(902)</u>
<b>Net Change in Plan Fiduciary Net Position</b>	1,210,189	(13,442)
<b>Plan Fiduciary Net Position - Beginning</b>	<u>19,089,100</u>	<u>20,299,289</u>
<b>Plan Fiduciary Net Position - Ending</b>	<u>\$20,299,289</u>	<u>\$ 20,285,847</u>
<b>Net Pension Liability - Ending</b>	\$ 2,978,830	\$ 4,115,082
<b>Plan Fiduciary Net Position as a percentage of Total Pension Liability</b>	87.20%	83.14%
<b>Covered Employee Payroll</b>	\$ 3,655,618	\$ 3,765,664
<b>Net Pension Liability as a Percentage of Covered Employee Payroll</b>	81.49%	109.28%

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>2015</u>	<u>2016</u>
Actuarially Determined Contribution	\$ 624,014	\$ 629,618
Contributions in relation to the actuarially determined contribution	<u>624,014</u>	<u>629,618</u>
Contribution deficiency (excess)	\$ <u>-</u>	\$ <u>-</u>
Covered employee payroll	\$ 3,655,618	\$ 3,765,664
Contributions as a percentage of covered employee payroll	17.07%	16.72%

**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	30 years
Asset Valuation Method	10 Year smoothed market; 15% soft Corridor
Inflation	2.50%
Salary Increases	3.5% to 10.5% including inflation
Investment Rate of Return	6.75%
Retirement Age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2015 valuation pursuant to an experience study of the period 2010-2014.
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.

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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, 2016**

	Budgeted Amounts GAAP Basis		
	Original	Revisions	Final
<b>REVENUES</b>			
Miscellaneous	\$ -	\$ -	\$ -
Total Revenues	-	-	-
<b>EXPENDITURES</b>			
Debt service:			
Principal retirement	1,040,000	-	1,040,000
Interest	252,050	-	252,050
Total Expenditures	1,292,050	-	1,292,050
Excess (deficiency) of revenues over expenditures	(1,292,050)	-	(1,292,050)
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	1,143,239	-	1,143,239
Total other financing sources	1,143,239	-	1,143,239
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	\$ (148,811)	\$ -	\$ (148,811)
Fund balances at beginning of year			
Fund balance at end of year			

<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
\$ 1,067	\$ 1,067
<u>1,067</u>	<u>1,067</u>
1,040,000	-
<u>252,050</u>	-
<u>1,292,050</u>	-
<u>(1,290,983)</u>	<u>1,067</u>
1,297,822	154,583
<u>1,297,822</u>	<u>154,583</u>
6,839	\$ <u>155,650</u>
<u>6,523</u>	
<u>\$ 13,362</u>	

**CITY OF LIVINGSTON, TEXAS  
BUDGETARY COMPARISON SCHEDULE  
CAPITAL PROJECTS FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

	<b>Budgeted Amounts GAAP Basis</b>		
	<b>Original</b>	<b>Revisions</b>	<b>Final</b>
<b><u>EXPENDITURES</u></b>			
Capital outlay:			
Street improvements	\$ -	\$ -	\$ -
Total Expenditures	-	-	-
Excess of expenditures over revenues	\$ -	\$ -	\$ -
<b><u>OTHER FINANCING SOURCES</u></b>			
Transfers out	(591,448)	240,204	(351,244)
Total other financing sources	(591,448)	240,204	(351,244)
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	\$ (591,448)	\$ 240,204	\$ (351,244)
Fund balance at beginning of year			
Fund balance at end of year			



<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
\$ (11,775)	\$ (11,775)
<u>(11,775)</u>	<u>(11,775)</u>
<u>(11,775)</u>	<u>(11,775)</u>
 (495,845)	 (144,601)
<u>(495,845)</u>	<u>(144,601)</u>
 (507,620)	 <u>\$ (156,376)</u>
<u>507,620</u>	
<u>\$ -</u>	

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

## **GENERAL FUND**

**CITY OF LIVINGSTON, TEXAS  
GENERAL FUND - COMPARATIVE BALANCE SHEET  
SEPTEMBER 30, 2016 AND 2015**

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**ASSETS**

	<u>2016</u>	<u>2015</u>
Cash	\$ 2,671,496	\$ 1,615,667
Receivables:		
Returned checks receivable	3,468	3,316
Paving accounts receivable	<u>28,184</u>	<u>27,199</u>
Total Assets	<u>\$ 2,703,148</u>	<u>\$ 1,646,182</u>

**LIABILITIES AND FUND BALANCES**

**LIABILITIES**

Accounts payable	\$ 329,621	\$ 412,315
Total Liabilities	<u>329,621</u>	<u>412,315</u>

**FUND BALANCES**

Restricted for library memorials	1,419	2,421
Unassigned	<u>2,372,108</u>	<u>1,231,446</u>
Total Fund Balances	<u>2,373,527</u>	<u>1,233,867</u>
Total Liabilities and Fund Balances	<u>\$ 2,703,148</u>	<u>\$ 1,646,182</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, 2016**  
**WITH COMPARATIVE ACTUAL TOTALS FOR 2015**

	Budgeted Amounts GAAP Basis			
	Original	Revisions	Final	Actual
<b>REVENUES</b>				
Taxes:				
Sales taxes	\$ 3,200,000	\$ 300,000	\$ 3,500,000	\$ 3,597,499
Franchise taxes	140,000	-	140,000	136,844
Hotel/Motel taxes	300,000	-	300,000	296,831
Licenses and permits	44,700	4,800	49,500	61,394
Charges for service	1,305,711	25,625	1,331,336	1,357,043
Fines and forfeitures	291,000	4,850	295,850	298,337
Miscellaneous	135,300	74,500	209,800	189,117
Total Revenues	<u>5,416,711</u>	<u>409,775</u>	<u>5,826,486</u>	<u>5,937,065</u>
<b>EXPENDITURES</b>				
Administrative	641,010	(8,010)	633,000	584,899
Sanitation	705,000	(8,000)	697,000	701,332
Fire	418,500	11,375	429,875	438,882
Police	2,004,350	48,650	2,053,000	2,047,847
Paving and street	1,070,230	381,545	1,451,775	1,172,773
Parks and recreation	1,039,900	47,525	1,087,425	1,066,921
Library	394,650	8,450	403,100	395,455
Garage	262,070	(10,495)	251,575	250,905
Total Expenditures	<u>6,535,710</u>	<u>471,040</u>	<u>7,006,750</u>	<u>6,659,014</u>
Excess of revenues over expenditures	<u>(1,118,999)</u>	<u>(61,265)</u>	<u>(1,180,264)</u>	<u>(721,949)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	2,262,238	31,315	2,293,553	3,159,431
Transfers out	<u>(1,143,239)</u>	<u>-</u>	<u>(1,143,239)</u>	<u>(1,297,822)</u>
Total other financing sources (uses)	<u>1,118,999</u>	<u>31,315</u>	<u>1,150,314</u>	<u>1,861,609</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	<u>\$ -</u>	<u>\$ (29,950)</u>	<u>\$ (29,950)</u>	1,139,660
Fund balances at beginning of year				<u>1,233,867</u>
Fund balances at end of year				<u>\$ 2,373,527</u>

<b>Variance With Final Budget Positive (Negative)</b>	<b>2015 Actual</b>
\$ 97,499	\$ 3,488,475
(3,156)	142,040
(3,169)	297,152
11,894	66,122
25,707	1,290,760
2,487	280,259
(20,683)	428,956
<u>110,579</u>	<u>5,993,764</u>
48,101	593,789
(4,332)	701,257
(9,007)	433,126
5,153	2,039,483
279,002	1,706,066
20,504	1,027,895
7,645	381,624
670	204,347
<u>347,736</u>	<u>7,087,587</u>
<u>458,315</u>	<u>(1,093,823)</u>
865,878	2,347,835
(154,583)	(1,291,050)
<u>711,295</u>	<u>1,056,785</u>
<u>\$ 1,169,610</u>	(37,038)
	<u>1,270,905</u>
	<u>\$ 1,233,867</u>

**CITY OF LIVINGSTON, TEXAS**  
**GENERAL FUND**  
**SCHEDULE OF EXPENDITURES-BUDGET (GAAP BASIS) AND ACTUAL**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2016**  
**WITH COMPARATIVE ACTUAL TOTALS FOR 2015**

	Budgeted Amounts GAAP Basis			
	Original	Revisions	Final	Actual
ADMINISTRATIVE DEPARTMENT				
Salaries	\$ 193,000	\$ -	\$ 193,000	\$ 193,272
Social Security	14,800	-	14,800	15,161
Retirement	85,500	-	85,500	85,634
Employee insurance	72,000	-	72,000	72,101
Insurance and bonds	9,450	850	10,300	8,803
Legal and professional	35,000	-	35,000	20,893
Auditing and accounting	11,500	2,000	13,500	13,450
Supplies	25,000	-	25,000	25,911
Repairs-building and grounds	10,000	-	10,000	7,739
Equipment repairs and maintenance	10,000	-	10,000	6,077
Gas and oil	2,860	(860)	2,000	1,420
Utility/telephone	14,000	(500)	13,500	16,544
Dues and subscriptions	15,500	(3,500)	12,000	11,054
Building demolitions	7,000	-	7,000	9,705
Transportation and contingency	95,200	7,000	102,200	80,028
Postage and miscellaneous	<u>30,200</u>	<u>(13,000)</u>	<u>17,200</u>	<u>16,847</u>
	631,010	(8,010)	623,000	584,639
Capital expenditures	<u>10,000</u>	<u>-</u>	<u>10,000</u>	<u>260</u>
Total Administrative	<u>641,010</u>	<u>(8,010)</u>	<u>633,000</u>	<u>584,899</u>
SANITATION DEPARTMENT				
Supplies	65,000	(3,000)	62,000	61,389
Refuse disposal/landfills	<u>640,000</u>	<u>(5,000)</u>	<u>635,000</u>	<u>639,943</u>
Total Sanitation	<u>705,000</u>	<u>(8,000)</u>	<u>697,000</u>	<u>701,332</u>



<b>Variance With Final Budget Positive (Negative)</b>	<b>2015 Actual</b>
\$ (272)	\$ 185,434
(361)	14,580
(134)	85,138
(101)	73,085
1,497	8,894
14,107	8,986
50	11,117
(911)	21,485
2,261	17,587
3,923	9,672
580	2,202
(3,044)	13,045
946	11,103
(2,705)	7,200
22,172	89,183
<u>353</u>	<u>31,395</u>
38,361	590,106
<u>9,740</u>	<u>3,683</u>
<u>48,101</u>	<u>593,789</u>
611	63,360
<u>(4,943)</u>	<u>637,897</u>
<u>(4,332)</u>	<u>701,257</u>

**CITY OF LIVINGSTON, TEXAS**  
**GENERAL FUND**  
**SCHEDULE OF EXPENDITURES-BUDGET (GAAP BASIS) AND ACTUAL**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2016**  
**WITH COMPARATIVE ACTUAL TOTALS FOR 2015**

	Budgeted Amounts GAAP Basis			Actual
	Original	Revisions	Final	
<b>FIRE DEPARTMENT</b>				
Salaries	135,000	15,000	150,000	151,333
Salaries, administration	35,000	-	35,000	33,969
Social Security	10,000	700	10,700	10,638
Retirement	14,200	3,000	17,200	17,268
Employee insurance	18,500	75	18,575	18,537
Insurance and bonds	27,300	600	27,900	27,897
Recruitment costs	1,500	(1,500)	-	-
Supplies	35,000	-	35,000	36,330
Repairs-building and grounds	1,500	-	1,500	-
Equipment repairs and maintenance	45,000	-	45,000	66,801
Gas and oil	9,350	(3,000)	6,350	5,002
Utility/telephone	11,500	1,000	12,500	11,156
Dues and subscriptions	3,000	-	3,000	2,381
Transportation and contingency	15,000	(4,000)	11,000	13,198
Maintenance contribution	23,000	(500)	22,500	22,528
Postage and miscellaneous	3,650	-	3,650	3,044
	388,500	11,375	399,875	420,082
Capital expenditures	30,000	-	30,000	18,800
<b>Total Fire</b>	<b>418,500</b>	<b>11,375</b>	<b>429,875</b>	<b>438,882</b>
<b>POLICE DEPARTMENT</b>				
Salaries	1,150,000	10,000	1,160,000	1,172,221
Salaries, administration	35,000	-	35,000	33,969
Social Security	90,700	2,300	93,000	93,928
Retirement	185,000	-	185,000	187,211
Employee insurance	190,000	-	190,000	187,721
Uniforms	3,600	-	3,600	6,279
Insurance and bonds	55,650	(650)	55,000	56,759
Supplies	24,000	-	24,000	23,047
Repairs-building and grounds	25,000	-	25,000	10,626
Equipment repairs and maintenance	45,000	-	45,000	42,282
Gas and oil	60,500	(30,500)	30,000	31,261
Utility/telephone	15,000	500	15,500	14,974
Dues and subscriptions	300	-	300	155
Transportation and contingency	31,000	500	31,500	29,879
Postage and miscellaneous	28,600	(2,000)	26,600	21,812
	1,939,350	(19,850)	1,919,500	1,912,124
Capital expenditures	65,000	68,500	133,500	135,723
<b>Total Police</b>	<b>2,004,350</b>	<b>48,650</b>	<b>2,053,000</b>	<b>2,047,847</b>

<b>Variance With Final Budget Positive (Negative)</b>	<b>2015 Actual</b>
(1,333)	140,847
1,031	32,591
62	10,316
(68)	17,187
38	18,754
3	25,692
-	-
(1,330)	40,407
1,500	710
(21,801)	53,815
1,348	8,233
1,344	10,663
619	2,627
(2,198)	10,097
(28)	22,085
606	2,911
(20,207)	396,935
11,200	36,191
(9,007)	433,126
(12,221)	1,100,690
1,031	32,591
(928)	88,356
(2,211)	182,245
2,279	180,507
(2,679)	2,715
(1,759)	59,042
953	20,147
14,374	56,342
2,718	42,373
(1,261)	46,964
526	14,877
145	245
1,621	29,539
4,788	25,792
7,376	1,882,425
(2,223)	157,058
5,153	2,039,483

**CITY OF LIVINGSTON, TEXAS**  
**GENERAL FUND**  
**SCHEDULE OF EXPENDITURES-BUDGET (GAAP BASIS) AND ACTUAL**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2016**  
**WITH COMPARATIVE ACTUAL TOTALS FOR 2015**

	Budgeted Amounts GAAP Basis			
	Original	Revisions	Final	Actual
PAVING AND STREET DEPARTMENT				
Salaries	270,000	(20,000)	250,000	248,069
Salaries, administration	35,000	-	35,000	33,969
Social Security	23,500	(1,700)	21,800	21,568
Retirement	43,500	(1,725)	41,775	39,642
Employee insurance	59,100	(3,400)	55,700	49,747
Uniforms	4,350	850	5,200	4,616
Insurance and bonds	26,880	(1,380)	25,500	26,468
Supplies	22,000	-	22,000	14,456
Repairs-building and grounds	10,000	500	10,500	10,844
Equipment repairs and maintenance	30,000	20,000	50,000	59,492
Gas and oil	34,100	(14,100)	20,000	16,789
Transit system	4,200	-	4,200	4,200
Transportation and contingency	7,600	2,500	10,100	3,585
	570,230	(18,455)	551,775	533,445
Capital expenditures	500,000	400,000	900,000	639,328
Total Paving and Street	1,070,230	381,545	1,451,775	1,172,773
PARKS AND RECREATION DEPARTMENT				
Salaries	371,050	3,950	375,000	383,146
Salaries, administration	70,000	-	70,000	67,938
Social Security	33,800	250	34,050	34,405
Retirement	51,800	(25)	51,775	53,768
Employee insurance	74,300	(3,200)	71,100	68,729
Uniforms	5,000	700	5,700	4,687
Insurance and bonds	20,685	(4,135)	16,550	16,498
Advertising, hotel tax	75,000	(5,000)	70,000	66,931
Supplies	61,000	1,500	62,500	66,239
Repairs-building and grounds	31,000	-	31,000	32,296
Equipment repairs and maintenance	26,200	-	26,200	34,969
Gas and oil	51,040	(20,040)	31,000	32,294
Utility/telephone	19,300	(1,450)	17,850	16,436
Dues and subscriptions	275	75	350	230
Transportation and contingency	3,100	(100)	3,000	3,137
Programming costs	1,000	-	1,000	568
Postage and miscellaneous	2,850	-	2,850	2,741
	897,400	(27,475)	869,925	885,012
Capital expenditures	142,500	75,000	217,500	181,909
Total Parks and Recreation	1,039,900	47,525	1,087,425	1,066,921

<b>Variance With Final Budget Positive (Negative)</b>	<b>2015 Actual</b>
1,931	246,770
1,031	32,591
232	21,385
2,133	41,063
5,953	52,432
584	4,831
(968)	24,651
7,544	25,619
(344)	10,103
(9,492)	42,880
3,211	26,108
-	4,200
<u>6,515</u>	<u>4,034</u>
18,330	536,667
<u>260,672</u>	<u>1,169,399</u>
<u>279,002</u>	<u>1,706,066</u>
(8,146)	355,346
2,062	65,182
(355)	32,104
(1,993)	51,594
2,371	67,308
1,013	5,187
52	19,160
3,069	64,046
(3,739)	55,694
(1,296)	106,962
(8,769)	46,636
(1,294)	39,808
1,414	17,340
120	298
(137)	2,711
432	1,863
<u>109</u>	<u>2,625</u>
(15,087)	933,864
<u>35,591</u>	<u>94,031</u>
<u>20,504</u>	<u>1,027,895</u>

**CITY OF LIVINGSTON, TEXAS**  
**GENERAL FUND**  
**SCHEDULE OF EXPENDITURES-BUDGET (GAAP BASIS) AND ACTUAL**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2016**  
**WITH COMPARATIVE ACTUAL TOTALS FOR 2015**

	<b>Budgeted Amounts GAAP Basis</b>			<b>Actual</b>
	<b>Original</b>	<b>Revisions</b>	<b>Final</b>	
<b>LIBRARY DEPARTMENT</b>				
Salaries	175,000	12,000	187,000	183,062
Salaries, administration	35,000	-	35,000	33,969
Social Security	16,100	900	17,000	16,552
Retirement	28,000	250	28,250	27,861
Employee insurance	41,250	-	41,250	41,239
Insurance and bonds	7,350	(2,200)	5,150	5,148
Supplies	15,000	-	15,000	15,746
Repairs-building and grounds	17,500	(2,500)	15,000	15,573
Equipment repairs and maintenance	8,500	-	8,500	8,548
Utility/telephone	10,500	(1,500)	9,000	7,027
Dues and subscriptions	3,800	-	3,800	3,791
Transportation and contingency	2,000	500	2,500	1,805
Postage and printing	6,650	-	6,650	5,237
	366,650	7,450	374,100	365,558
Memorial capital	8,000	7,000	15,000	25,989
Capital expenditures	20,000	(6,000)	14,000	3,908
<b>Total Library</b>	<b>394,650</b>	<b>8,450</b>	<b>403,100</b>	<b>395,455</b>
<b>GARAGE DEPARTMENT</b>				
Salaries	107,000	(6,000)	101,000	102,051
Salaries, administration	35,000	-	35,000	33,969
Social Security	10,900	(500)	10,400	10,354
Retirement	17,000	(250)	16,750	16,477
Employee insurance	16,500	-	16,500	16,490
Uniforms	1,400	-	1,400	1,356
Insurance and bonds	8,925	(1,425)	7,500	7,020
Supplies	6,000	-	6,000	6,129
Repairs-building and grounds	1,000	-	1,000	393
Equipment repairs and maintenance	6,000	(1,000)	5,000	4,691
Gas and oil	1,595	(695)	900	816
Utility/telephone	5,750	(625)	5,125	5,113
	217,070	(10,495)	206,575	204,859
Capital expenditures	45,000	-	45,000	46,046
<b>Total Garage</b>	<b>262,070</b>	<b>(10,495)</b>	<b>251,575</b>	<b>250,905</b>
<b>TOTAL GENERAL EXPENDITURES</b>	<b>\$ 6,535,710</b>	<b>\$ 471,040</b>	<b>\$ 7,006,750</b>	<b>\$ 6,659,014</b>

<b>Variance With Final Budget Positive (Negative)</b>	<b>2015 Actual</b>
3,938	164,752
1,031	32,591
448	15,064
389	27,561
11	39,964
2	6,644
(746)	14,835
(573)	18,629
(48)	7,986
1,973	8,145
9	3,141
695	1,992
<u>1,413</u>	<u>9,190</u>
8,542	350,494
(10,989)	18,939
<u>10,092</u>	<u>12,191</u>
<u>7,645</u>	<u>381,624</u>
(1,051)	100,617
1,031	32,590
46	10,157
273	16,634
10	15,988
44	1,353
480	8,041
(129)	4,599
607	95
309	4,954
84	1,161
<u>12</u>	<u>4,962</u>
1,716	201,151
<u>(1,046)</u>	<u>3,196</u>
<u>670</u>	<u>204,347</u>
<u>\$ 347,736</u>	<u>\$ 7,087,587</u>

## **DEBT SERVICE FUND**



**CITY OF LIVINGSTON, TEXAS**  
**DEBT SERVICE FUND - COMPARATIVE BALANCE SHEET**  
**SEPTEMBER 30, 2016 AND 2015**

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**ASSETS**

	<u>2016</u>	<u>2015</u>
Cash	\$ 13,362	\$ 6,523
Total Assets	<u>\$ 13,362</u>	<u>\$ 6,523</u>

**FUND BALANCES**

Restricted for debt service	\$ 13,362	\$ 6,523
Total Fund Balance	<u>\$ 13,362</u>	<u>\$ 6,523</u>

**CITY OF LIVINGSTON, TEXAS  
DEBT SERVICE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED SEPTEMBER 30, 2016  
WITH COMPARATIVE ACTUAL TOTALS FOR 2015**

	<b>Budgeted Amounts GAAP Basis</b>		
	<b>Original</b>	<b>Revisions</b>	<b>Final</b>
<b><u>REVENUES</u></b>			
Miscellaneous	\$ -	\$ -	\$ -
Total Revenues	-	-	-
<b><u>EXPENDITURES</u></b>			
Debt service:			
Principal retirement	1,040,000	-	1,040,000
Interest	252,050	-	252,050
Total Expenditures	1,292,050	-	1,292,050
Excess (deficiency) of revenues over expenditures	(1,292,050)	-	(1,292,050)
<b><u>OTHER FINANCING SOURCES (USES)</u></b>			
Transfers in	1,143,239	-	1,143,239
Total other financing sources	1,143,239	-	1,143,239
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	\$ (148,811)	\$ -	\$ (148,811)
Fund balances at beginning of year			
Fund balance at end of year			

<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>	<u>2015</u>
\$ 1,067	\$ 1,067	\$ 1,148
<u>1,067</u>	<u>1,067</u>	<u>1,148</u>
1,040,000	-	1,020,000
252,050	-	278,500
<u>1,292,050</u>	<u>-</u>	<u>1,298,500</u>
(1,290,983)	1,067	(1,297,352)
1,297,822	(154,583)	1,291,050
<u>1,297,822</u>	<u>154,583</u>	<u>1,291,050</u>
6,839	\$ 155,650	(6,302)
<u>6,523</u>		<u>12,825</u>
\$ 13,362		\$ 6,523

## **CAPITAL PROJECTS FUND**

**CITY OF LIVINGSTON, TEXAS**  
**CAPITAL PROJECTS FUND - COMPARATIVE BALANCE SHEET**  
**SEPTEMBER 30, 2016 AND 2015**

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**ASSETS**

	<u>2016</u>	<u>2015</u>
Cash	\$ -	\$ 507,620
Total Assets	<u>\$ -</u>	<u>\$ 507,620</u>

**FUND BALANCES**

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

CITY OF LIVINGSTON, TEXAS  
CAPITAL PROJECTS FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED SEPTEMBER 30, 2016  
WITH COMPARATIVE ACTUAL TOTALS FOR 2015

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	Budgeted Amounts GAAP Basis		
	Original	Revisions	Final
<b><u>EXPENDITURES</u></b>			
Capital outlay:			
Street improvements	\$ -	\$ -	\$ -
Total Expenditures	-	-	-
Excess (deficiency) of revenues over expenditures	-	-	-
<b><u>OTHER FINANCING SOURCES</u></b>			
Transfers out	(591,448)	240,204	(351,244)
Total other financing sources	(591,448)	240,204	(351,244)
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	\$ (591,448)	\$ 240,204	\$ (351,244)
Fund balances at beginning of year			
Fund balances at end of year			

<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>	<u>2015</u>
\$ (11,775)	\$ (11,775)	\$ (325,456)
<u>(11,775)</u>	<u>(11,775)</u>	<u>(325,456)</u>
(11,775)	(11,775)	(325,456)
 (495,845)	 (144,601)	 -
<u>(495,845)</u>	<u>(144,601)</u>	<u>-</u>
 (507,620)	 (156,376)	 (325,456)
<u>507,620</u>	<u>-</u>	<u>833,076</u>
\$ <u>-</u>	\$ <u>(156,376)</u>	\$ <u>507,620</u>

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## **PROPRIETARY FUND**

**CITY OF LIVINGSTON, TEXAS**  
**COMPARATIVE STATEMENT OF NET POSITION**  
**ELECTRIC, WATER AND SEWER FUND**  
**SEPTEMBER 30, 2016 AND 2015**

<b>ASSETS</b>	<b>2016</b>	<b>2015</b>
Current assets:		
Cash	\$ 11,788,016	\$ 6,902,277
Certificates of deposit	1,500,000	1,500,000
Restricted assets		
Cash in bank, water and sewer system improvements	61,800	61,645
Cash in bank, reserve fund	62,085	55,625
Receivables:		
Returned checks receivable	31,469	30,629
Utility accounts receivable	1,754,527	1,683,315
Total current assets	<u>15,197,897</u>	<u>10,233,491</u>
Noncurrent assets:		
Capital assets:		
Land	694,222	694,222
Building and improvements	507,925	507,925
Equipment and fixtures	2,407,496	2,374,182
Electrical system	5,762,705	5,503,322
Water system	11,913,215	11,792,670
Sewer system	9,674,895	9,120,141
Water service contract rights	21,280,000	21,900,000
	52,240,458	51,892,462
Less accumulated depreciation	<u>(9,609,815)</u>	<u>(9,101,847)</u>
Net capital assets	<u>42,630,643</u>	<u>42,790,615</u>
Deferred outflows of resources:		
Amounts related to pensions		
Contributions after December 31, 2015 and 2014	159,866	158,861
Difference in expected and actual experience	374,685	33,233
Difference in projected and actual earnings	-	67,127
Total Deferred Outflows of Resources	<u>534,551</u>	<u>259,221</u>
Total Noncurrent Assets and Deferred Outflows of Resources	<u>43,165,194</u>	<u>43,049,836</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 58,363,091</u>	<u>\$ 53,283,327</u>

**CITY OF LIVINGSTON, TEXAS  
COMPARATIVE STATEMENT OF NET POSITION  
ELECTRIC, WATER AND SEWER FUND  
SEPTEMBER 30, 2016 AND 2015**

<b>LIABILITIES</b>	<b>2016</b>	<b>2015</b>
Current liabilities:		
Accounts payable	\$ 1,042,163	\$ 1,068,777
Meter deposits	530,798	521,508
Net pension liability	1,385,570	1,023,448
Contracts payable-Trinity River Authority	635,000	620,000
Total current liabilities	<u>3,593,531</u>	<u>3,233,733</u>
Noncurrent liabilities:		
Contracts payable-Trinity River Authority	20,645,000	21,280,000
Total noncurrent liabilities	<u>20,645,000</u>	<u>21,280,000</u>
Total liabilities	<u>24,238,531</u>	<u>24,513,733</u>
Deferred inflows of resources:		
Amounts related to pensions		
Restricted for:		
Difference in actual experience and assumptions	40,390	-
Total Deferred Inflows of Resources	<u>40,390</u>	<u>-</u>
Total Liabilities and Deferred Inflows of Resources	<u>24,278,921</u>	<u>24,513,733</u>
<b>NET POSITION</b>		
Net investment in capital assets	21,350,643	20,890,615
Restricted for water and sewer system improvements	61,800	61,645
Restricted for Trinity River Authority contracts payable	62,085	55,625
Unrestricted	<u>12,609,642</u>	<u>7,761,709</u>
Total Net Position	<u>\$ 34,084,170</u>	<u>\$ 28,769,594</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, 2016 AND 2015**

**Business-Type Activities - Enterprise Fund**

	<u>2016</u>	<u>2015</u>
<u>Operating revenues:</u>		
Charges for sales and services:		
Electricity sales	\$ 9,570,318	\$ 9,636,370
Water sales	2,893,123	2,608,428
Sewer service charges	2,075,270	1,884,954
Penalties, utilities	143,863	154,671
Water tapping fees	13,385	10,800
Sewer tapping fees	5,300	7,508
Recoveries, electrical	7,795,569	5,013,951
Recoveries, water	41,044	87,994
Revenue, night lights	97,096	91,162
Service fees	56,621	55,979
Total Operating Revenues	<u>22,691,589</u>	<u>19,551,817</u>
<u>Operating expenses:</u>		
Light and Power Department	9,779,458	9,810,953
Water Department	3,724,304	3,618,548
Sewer Department	709,883	709,953
Depreciation	507,967	489,482
Total Operating Expenses	<u>14,721,612</u>	<u>14,628,936</u>
Operating Income	7,969,977	4,922,881
<u>Non-operating revenues:</u>		
Interest income	<u>8,185</u>	<u>8,930</u>
Income Before Transfers	7,978,162	4,931,811
Transfers In	495,845	-
Transfers Out	<u>(3,159,431)</u>	<u>(2,347,835)</u>
Change in net position	5,314,576	2,583,976
Total net position - beginning	28,769,594	26,986,014
Change in accounting	<u>-</u>	<u>(800,396)</u>
Total net position - ending	<u>\$ 34,084,170</u>	<u>\$ 28,769,594</u>

**CITY OF LIVINGSTON, TEXAS  
COMPARATIVE STATEMENT OF CASH FLOWS  
ELECTRIC, WATER, AND SEWER FUND  
FOR THE YEARS ENDED SEPTEMBER 30, 2016 AND 2015**

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**Business-Type Activities - Enterprise Fund**

	<b><u>2016</u></b>	<b><u>2015</u></b>
Cash flows from operating activities:		
Cash received from customers	\$ 22,619,537	\$ 19,453,438
Cash payments to suppliers for goods and services	(12,681,065)	(12,932,988)
Cash payments to employees for services	<u>(1,422,719)</u>	<u>(1,409,694)</u>
Net cash provided by operating activities	<u>8,515,753</u>	<u>5,110,756</u>
Cash flows from noncapital financing activities:		
Transfers from other funds	495,845	-
Transfers to other funds	<u>(3,159,431)</u>	<u>(2,347,835)</u>
Net cash used for noncapital financing activities	<u>(2,663,586)</u>	<u>(2,347,835)</u>
Cash flows from capital and related financing activities:		
Acquisition of capital assets	<u>(967,998)</u>	<u>(1,127,538)</u>
Net cash used for capital and related financing activities	<u>(967,998)</u>	<u>(1,127,538)</u>
Cash flows from investing activities:		
Interest on cash and investments	<u>8,185</u>	<u>8,930</u>
Net cash provided by investing activities	<u>8,185</u>	<u>8,930</u>
Net Change in Cash and Cash Equivalents	4,892,354	1,644,313
Cash and Cash Equivalents at Beginning of Year	<u>7,019,547</u>	<u>5,375,234</u>
Cash and Cash Equivalents at End of Year	<u>\$ 11,911,901</u>	<u>\$ 7,019,547</u>

(Continued)

**CITY OF LIVINGSTON, TEXAS**  
**COMPARATIVE STATEMENT OF CASH FLOWS**  
**ELECTRIC, WATER, AND SEWER FUND**  
**FOR THE YEARS ENDED SEPTEMBER 30, 2016 AND 2015**

**Business-Type Activities - Enterprise Fund**

	<u>2016</u>	<u>2015</u>
Reconciliation of income from operations to net cash provided by operating activities:		
Income from operations	\$ 7,969,977	\$ 4,922,881
Adjustments to reconcile operating net income to net cash provided by operating activities:		
Depreciation	507,967	489,482
Change in operating assets and liabilities:		
Returned checks receivable	(840)	(2,796)
Utility accounts receivable	(71,212)	(95,583)
Deferred outflows	(275,330)	(95,880)
Accounts payable	(26,611)	(175,776)
Meter deposits	9,290	7,260
Net pension liability	362,122	61,168
Deferred inflows	40,390	-
Total adjustments	<u>545,776</u>	<u>187,875</u>
Net cash provided by operating activities	<u>\$ 8,515,753</u>	<u>\$ 5,110,756</u>
Reconciliation of total cash and cash investments		
Unrestricted	\$ 11,788,016	\$ 6,902,277
Restricted		
Cash in bank, water and sewer system improvements	61,800	61,645
Cash in bank, reserve fund	<u>62,085</u>	<u>55,625</u>
Total cash and cash equivalents	<u>\$ 11,911,901</u>	<u>\$ 7,019,547</u>

(Concluded)

## **ENTERPRISE FUND**

**CITY OF LIVINGSTON, TEXAS**  
**ENTERPRISE FUND**  
**SCHEDULE OF EXPENSES BY DEPARTMENT - COMPARED TO BUDGET**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2016**  
**WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	2016			
	<u>Original Budget</u>	<u>Revisions</u>	<u>Final</u>	<u>Actual</u>
<b>LIGHT AND POWER DEPARTMENT</b>				
Salaries	\$ 640,000	\$ 10,000	\$ 650,000	\$ 639,876
Salaries, administration	35,000	-	35,000	33,969
Social Security	51,700	300	52,000	51,498
Retirement	102,700	800	103,500	164,764
Employee insurance	90,700	-	90,700	90,688
Uniform rental	6,500	(500)	6,000	4,828
Insurance and bonds	20,475	(2,975)	17,500	17,141
Legal and professional	2,000	-	2,000	1,432
Engineering	1,000	-	1,000	-
Supplies	40,000	-	40,000	35,598
Repairs-building and grounds and equipment	35,000	7,000	42,000	31,880
Gas and oil	19,800	(7,800)	12,000	9,591
Utility/telephone	7,800	(300)	7,500	7,052
Dues and subscriptions	7,500	-	7,500	7,596
Power purchase	8,725,000	(75,000)	8,650,000	8,640,582
Transportation and contingency	8,000	-	8,000	4,533
Utility billing	12,500	-	12,500	11,601
Postage and miscellaneous	16,000	-	16,000	13,378
Auditing and accounting	11,500	2,000	13,500	13,451
Total Light and Power	<u>9,833,175</u>	<u>(66,475)</u>	<u>9,766,700</u>	<u>9,779,458</u>
<b>WATER DEPARTMENT</b>				
Salaries	435,000	-	435,000	436,373
Salaries - administration	35,000	-	35,000	33,969
Social Security	36,000	-	36,000	36,451
Retirement	70,000	1,000	71,000	112,299
Employee insurance	79,700	3,300	83,000	83,474
Uniform rental	5,700	(200)	5,500	5,160
Insurance and bonds	19,425	(1,925)	17,500	17,165
Legal and professional	5,000	-	5,000	2,827
Supplies	60,500	(15,500)	45,000	42,265
Repairs-building and grounds	5,000	3,500	8,500	5,043
Repairs-equipment	45,000	15,000	60,000	57,347
Gas and oil	55,000	(22,000)	33,000	26,746
Engineering	7,500	(2,000)	5,500	5,317
Dues and subscriptions	10,000	-	10,000	9,596
Water-TRA	58,400	-	58,400	58,400
Operations and maintenance-TRA	1,192,996	(48,870)	1,144,126	1,144,126
Transportation and contingency	33,800	2,800	36,600	29,164
Utility billing	13,500	(1,000)	12,500	11,601
Postage and printing	13,650	1,600	15,250	13,225
TRA-debt service	1,531,436	48,870	1,580,306	1,580,306
Auditing and accounting	11,500	2,000	13,500	13,450
Total Water	<u>3,724,107</u>	<u>(13,425)</u>	<u>3,710,682</u>	<u>3,724,304</u>



<u>Variance</u>	<u>2015 Actual</u>
\$ 10,124	\$ 619,278
1,031	32,590
502	49,835
(61,264)	85,990
12	87,238
1,172	5,934
359	19,193
568	1,612
1,000	-
4,402	39,273
10,120	40,663
2,409	15,109
448	6,909
(96)	7,474
9,418	8,754,348
3,467	8,377
899	11,684
2,622	14,329
49	11,117
<u>(12,758)</u>	<u>9,810,953</u>
(1,373)	429,254
1,031	32,591
(451)	35,717
(41,299)	59,656
(474)	77,819
340	5,474
335	18,202
2,173	5,246
2,735	43,595
3,457	11,098
2,653	35,915
6,254	41,599
183	4,555
404	9,709
-	58,400
-	1,091,863
7,436	33,190
899	11,684
2,025	14,343
-	1,587,523
50	11,116
<u>(13,622)</u>	<u>3,618,549</u>

**CITY OF LIVINGSTON, TEXAS**  
**ENTERPRISE FUND**  
**SCHEDULE OF EXPENSES BY DEPARTMENT - COMPARED TO BUDGET**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2016**  
**WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	2016			
	<u>Original Budget</u>	<u>Revisions</u>	<u>Final</u>	<u>Actual</u>
SEWER DEPARTMENT				
Salaries	265,000	-	265,000	244,563
Salaries, administration	35,000	-	35,000	33,969
Social Security	23,000	-	23,000	21,501
Retirement	40,100	3,400	43,500	61,820
Employee insurance	38,400	1,600	40,000	37,534
Uniform rental	2,900	-	2,900	2,307
Insurance and bonds	8,775	(3,225)	5,550	5,523
Lab fees-engineering	10,000	10,000	20,000	23,600
Supplies	40,000	2,000	42,000	44,617
Chemicals	27,500	-	27,500	23,065
Legal/professional	1,500	3,500	5,000	9,671
Repairs-equipment	65,000	-	65,000	92,355
Repairs-building and grounds	2,000	1,500	3,500	8,119
Gas and oil	10,450	(3,450)	7,000	5,496
Dues and subscriptions	9,500	250	9,750	9,708
Transportation and contingency	62,200	7,700	69,900	58,657
Utilities and telephone	30,000	(3,500)	26,500	27,378
Total Sewer	<u>671,325</u>	<u>19,775</u>	<u>691,100</u>	<u>709,883</u>
TOTAL ENTERPRISE FUND				
DEPARTMENT EXPENDITURES	<u>\$ 14,228,607</u>	<u>\$ (60,125)</u>	<u>\$14,168,482</u>	<u>\$ 14,213,645</u>

<u>Variance</u>	<u>2015 Actual</u>
20,437	263,391
1,031	32,590
1,499	22,845
(18,320)	35,851
2,466	39,089
593	3,226
27	7,417
(3,600)	14,604
(2,617)	37,351
4,435	27,634
(4,671)	753
(27,355)	123,629
(4,619)	2,214
1,504	8,341
42	9,214
11,243	56,156
(878)	25,648
<u>(18,783)</u>	<u>709,953</u>
<u>\$ (45,163)</u>	<u>\$ 14,139,455</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		
	2007	2008	2009
Governmental activities			
Net investment in capital assets	\$ 3,549,442	\$ 3,625,188	\$ 3,805,846
Restricted	32,042	56,185	58,323
Unrestricted	<u>746,824</u>	<u>847,279</u>	<u>1,403,689</u>
Total governmental activities net position	<u>\$ 4,328,308</u>	<u>\$ 4,528,652</u>	<u>\$ 5,267,858</u>
Business-type activities			
Net investment in capital assets	\$12,661,355	\$ 13,795,660	\$ 14,299,578
Restricted	176,772	122,980	120,096
Unrestricted	<u>1,914,913</u>	<u>1,858,986</u>	<u>2,010,951</u>
Total business-type activities net position	<u>\$14,753,040</u>	<u>\$ 15,777,626</u>	<u>\$ 16,430,625</u>
Primary government			
Net investment in capital assets	\$16,210,797	\$ 17,420,848	\$ 18,105,424
Restricted	208,814	179,165	178,419
Unrestricted	<u>2,661,737</u>	<u>2,706,265</u>	<u>3,414,640</u>
Total primary government net position	<u>\$19,081,348</u>	<u>\$ 20,306,278</u>	<u>\$ 21,698,483</u>

TABLE A-1

Fiscal Year						
2010	2011	2012	2013	2014	2015	2016
\$ 3,816,433	\$ 4,351,471	\$ 4,791,257	\$ 4,315,590	\$ 2,964,659	\$ 4,437,694	\$ 4,740,690
60,119	62,171	11,028	11,906	12,825	6,523	13,362
<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>618,282</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>	<u>\$ 5,372,334</u>
\$ 15,112,038	\$ 16,034,964	\$ 17,445,479	\$ 18,761,672	\$ 20,254,016	\$ 20,890,615	\$ 21,350,643
125,923	463,375	103,495	103,626	111,356	117,270	123,885
<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>12,609,642</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>	<u>\$ 34,084,170</u>
\$ 18,928,471	\$ 20,386,435	\$ 22,236,736	\$ 23,077,262	\$ 23,218,675	\$ 25,328,309	\$ 26,091,333
186,042	525,546	114,523	115,532	124,181	123,793	137,247
<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>13,227,924</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>	<u>\$ 39,456,504</u>

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

	Fiscal Year					
	2007	2008	2009	2010	2011	2012
<b>Expenses</b>						
Governmental activities:						
Administrative	\$ 550,712	\$ 543,102	\$ 625,366	\$ 550,726	\$ 560,705	\$ 578,438
Sanitation	595,541	614,965	607,137	597,196	611,463	631,433
Fire	372,421	403,472	413,973	406,508	440,931	396,728
Police	1,345,599	1,454,820	1,530,106	1,618,530	1,701,952	1,846,576
Paving and street	1,023,956	1,003,610	935,608	950,467	968,401	962,427
Parks and recreation	842,246	927,799	847,600	893,254	917,386	973,354
Library	274,830	283,433	284,255	312,390	310,674	332,359
Garage	163,178	177,194	186,795	180,496	183,928	190,832
Interest on long-term debt	363,425	350,383	316,960	292,638	267,220	246,345
Total governmental activities expense	5,531,908	5,758,778	5,747,800	5,802,205	5,962,660	6,158,492
Business-type activities:						
Electric, water and sewer	10,553,606	10,490,362	12,007,478	12,362,086	12,851,514	12,521,334
Total business-type activities expenses	10,553,606	10,490,362	12,007,478	12,362,086	12,851,514	12,521,334
Total primary government expenses	16,085,514	16,249,140	17,755,278	18,164,291	18,814,174	18,679,826
<b>Program Revenues</b>						
Governmental activities:						
Charges for services						
Administrative	171,091	158,653	368,308	247,380	98,784	193,065
Sanitation	835,662	837,658	846,740	846,516	933,025	947,880
Police	224,131	222,411	222,025	228,426	251,926	280,759
Paving and street	8,931	1,921	892	10,197	20,749	51,802
Parks and recreation	290,508	291,150	298,880	226,859	234,341	199,677
Library	18,085	23,652	19,386	18,171	17,309	15,406
Operating grants and contributions	228,664	130,974	653,212	94,055	110,094	130,478
Capital grants and contributions	-	-	471,764	247,392	171,317	3,491
Total governmental activities program revenues	1,777,072	1,666,419	2,881,207	1,918,996	1,837,545	1,822,558
Business-type activities:						
Charges for services						
Electric, water and sewer	10,867,675	11,929,258	12,369,934	13,968,911	15,144,524	14,253,547
Total business-type activities program revenues	10,867,675	11,929,258	12,369,934	13,968,911	15,144,524	14,253,547
Total primary government program revenues	12,644,747	13,595,677	15,251,141	15,887,907	16,982,069	16,076,105
Net (Expense) Revenues						
Governmental activities	(3,754,836)	(4,092,359)	(2,866,593)	(3,883,209)	(4,125,115)	(4,335,934)
Business-type activities	314,069	1,438,896	362,456	1,606,825	2,293,010	1,732,213
Total primary government program net expense	(3,440,767)	(2,653,463)	(2,504,137)	(2,276,384)	(1,832,105)	(2,603,721)
<b>General Revenues and Other Changes in Net Position</b>						
Governmental activities:						
Taxes						
Sales taxes	3,144,640	3,232,037	3,392,552	3,012,227	3,185,997	3,275,321
Franchise taxes	162,312	166,598	172,631	143,586	162,759	146,319
Hotel/Motel taxes	236,920	261,357	291,096	210,076	219,019	222,936
Investment earnings	60,343	54,954	12,753	7,153	4,803	10,801
Miscellaneous	34,344	90,514	-	-	-	-
Transfers	533,535	487,243	(263,233)	136,989	585,468	914,081
Total governmental activities	4,172,094	4,292,703	3,605,799	3,510,031	4,158,046	4,569,458
Business-type activities:						
Investment earnings	75,798	72,933	27,310	18,495	14,087	11,496
Transfers	(533,535)	(487,243)	263,233	(136,989)	(585,468)	(914,081)
Total business-type activities	(457,737)	(414,310)	290,543	(118,494)	(571,381)	(902,585)
Total primary government	3,714,357	3,878,393	3,896,342	3,391,537	3,586,665	3,666,873
<b>Changes in Net Position</b>						
Governmental activities	417,258	200,344	739,206	(373,178)	32,931	233,524
Business-type activities	(143,668)	1,024,586	652,999	1,488,331	1,721,629	829,628
Total primary government	\$ 273,590	\$ 1,224,930	\$ 1,392,205	\$ 1,115,153	\$ 1,754,560	\$ 1,063,152

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

2013	2014	2015	2016
\$ 609,174	\$ 628,524	\$ 629,168	\$ 697,407
653,663	705,207	701,377	701,452
404,025	429,642	431,539	473,390
1,852,215	1,912,194	1,992,910	2,171,640
969,670	993,905	1,082,684	1,356,218
991,098	947,878	1,060,084	1,061,374
354,693	448,499	476,226	515,985
203,343	218,840	217,587	234,349
366,800	325,625	278,500	252,050
<u>6,404,681</u>	<u>6,610,314</u>	<u>6,870,075</u>	<u>7,463,865</u>
<u>12,167,699</u>	<u>14,519,484</u>	<u>14,628,936</u>	<u>14,721,612</u>
<u>12,167,699</u>	<u>14,519,484</u>	<u>14,628,936</u>	<u>14,721,612</u>
<u>18,572,380</u>	<u>21,129,798</u>	<u>21,499,011</u>	<u>22,185,477</u>
98,300	101,595	92,722	91,839
1,027,614	1,038,218	1,041,025	1,102,931
273,321	275,621	294,900	315,638
2,103	11,485	4,156	2,219
203,685	192,800	331,809	186,002
17,835	23,829	32,866	18,130
128,227	60,484	86,898	142,999
-	-	219,600	52,350
<u>1,751,085</u>	<u>1,704,032</u>	<u>2,103,976</u>	<u>1,912,108</u>
<u>16,851,001</u>	<u>17,055,406</u>	<u>19,551,817</u>	<u>22,691,589</u>
<u>16,851,001</u>	<u>17,055,406</u>	<u>19,551,817</u>	<u>22,691,589</u>
<u>18,602,086</u>	<u>18,759,438</u>	<u>21,655,793</u>	<u>24,603,697</u>
(4,653,596)	(4,906,282)	(4,766,099)	(5,551,757)
<u>4,683,302</u>	<u>2,535,922</u>	<u>4,922,881</u>	<u>7,969,977</u>
<u>29,706</u>	<u>(2,370,360)</u>	<u>156,782</u>	<u>2,418,220</u>
3,730,723	3,431,399	3,488,475	3,597,499
151,625	135,253	142,040	136,844
270,564	318,487	297,152	296,831
7,743	3,918	3,389	2,926
-	-	-	-
<u>321,544</u>	<u>406,434</u>	<u>2,347,835</u>	<u>2,663,586</u>
<u>4,482,199</u>	<u>4,295,491</u>	<u>6,278,891</u>	<u>6,697,686</u>
12,204	12,351	8,930	8,185
<u>(321,544)</u>	<u>(406,434)</u>	<u>(2,347,835)</u>	<u>(2,663,586)</u>
<u>(309,340)</u>	<u>(394,083)</u>	<u>(2,338,905)</u>	<u>(2,655,401)</u>
<u>4,172,859</u>	<u>3,901,408</u>	<u>3,939,986</u>	<u>4,042,285</u>
(171,397)	(610,791)	1,512,792	1,145,929
<u>4,373,962</u>	<u>2,141,839</u>	<u>2,583,976</u>	<u>5,314,576</u>
<u>\$ 4,202,565</u>	<u>\$ 1,531,048</u>	<u>\$ 4,096,768</u>	<u>\$ 6,460,505</u>

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

	Fiscal Year			
	2007	2008	2009	2010
General Fund				
Restricted	\$ 2,598	\$ 78,525	\$ 64,705	\$ 49,852
Unassigned	<u>583,212</u>	<u>768,754</u>	<u>1,096,703</u>	<u>863,051</u>
Total General Fund	<u>\$ 585,810</u>	<u>\$ 847,279</u>	<u>\$ 1,161,408</u>	<u>\$ 912,903</u>
All Other Governmental Funds				
Restricted				
Debt Service Fund	\$ 32,042	\$ 56,185	\$ 58,323	\$ 60,119
Capital Projects Fund	<u>1,430,000</u>	<u>1,136,493</u>	<u>650,228</u>	<u>218,502</u>
Total all other governmental funds	<u>\$ 1,462,042</u>	<u>\$ 1,192,678</u>	<u>\$ 708,551</u>	<u>\$ 278,621</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					
2011	2012	2013	2014	2015	2016
\$ 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>	\$ 1,419 <u>2,372,108</u>
<u>\$ 424,662</u>	<u>\$ 204,363</u>	<u>\$ 857,756</u>	<u>\$ 1,270,905</u>	<u>\$ 1,233,867</u>	<u>\$ 2,373,527</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>	\$ 13,362 <u>-</u>
<u>\$ 155,873</u>	<u>\$ 6,064,713</u>	<u>\$ 3,374,966</u>	<u>\$ 845,901</u>	<u>\$ 514,143</u>	<u>\$ 13,362</u>

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

	Fiscal Year			
	2007	2008	2009	2010
<b>Revenues</b>				
Taxes	\$ 3,543,872	\$ 3,659,992	\$ 3,856,279	\$ 3,365,889
Licenses and permits	171,091	158,653	330,493	221,005
Charges for service	1,044,379	1,063,339	1,069,232	1,064,615
Fines and forfeitures	220,568	206,059	210,193	217,430
Miscellaneous	435,547	383,885	1,271,421	439,046
<b>Total Revenues</b>	<b>5,415,457</b>	<b>5,471,928</b>	<b>6,737,618</b>	<b>5,307,985</b>
<b>Expenditures</b>				
Administrative	589,450	464,778	544,952	502,238
Sanitation	595,356	614,780	606,952	597,076
Fire	333,880	366,276	378,591	373,785
Police	1,239,397	1,356,402	1,436,239	1,524,372
Paving and street	446,480	344,420	388,011	428,013
Parks and recreation	654,682	744,706	667,173	715,406
Library	257,071	261,206	250,779	277,401
Garage	154,049	261,800	175,996	169,988
Capital outlay	633,113	512,315	1,158,730	497,732
Debt service				
Interest	363,425	350,383	316,960	292,398
Principal	570,000	690,000	720,000	745,000
<b>Total Expenditures</b>	<b>5,836,903</b>	<b>5,967,066</b>	<b>6,644,383</b>	<b>6,123,409</b>
Excess of revenues over (under) expenditures	(421,446)	(495,138)	93,235	(815,424)
<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	1,040,595	1,560,371	1,236,959	1,606,128
Transfers out	(507,060)	(1,073,128)	(1,500,192)	(1,469,139)
<b>Total other financing sources</b>	<b>2,148,535</b>	<b>487,243</b>	<b>(263,233)</b>	<b>136,989</b>
<b>Net change in fund balances</b>	<b>\$ 1,727,089</b>	<b>\$ (7,895)</b>	<b>\$ (169,998)</b>	<b>\$ (678,435)</b>
Debt service as a percentage of noncapital expenditures	17.9%	19.1%	18.9%	18.4%

- 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					
2011	2012	2013	2014	2015	2016
\$ 3,567,775	\$ 3,644,576	\$ 4,152,912	\$ 3,885,139	\$ 3,927,667	\$ 4,031,174
69,898	155,254	54,839	78,737	66,122	61,394
1,185,540	1,174,660	1,275,560	1,311,551	1,290,760	1,357,043
235,733	261,493	256,378	261,363	280,259	298,337
369,023	256,783	180,943	88,191	430,104	190,184
<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>	<u>5,938,132</u>
516,991	612,838	546,441	569,230	590,106	584,639
611,343	631,313	653,542	705,087	701,257	701,332
409,387	367,911	371,718	393,104	396,935	420,082
1,600,314	1,734,608	1,736,455	1,802,083	1,882,425	1,912,124
453,560	447,899	450,841	486,078	536,667	533,445
752,668	810,104	845,205	802,039	933,864	885,012
275,958	296,039	302,686	335,764	350,494	365,558
173,673	172,278	182,681	198,707	201,151	204,859
773,312	718,971	1,862,161	1,498,439	1,820,144	1,063,738
267,220	246,345	366,800	366,800	278,500	252,050
790,000	850,000	960,000	990,000	1,020,000	1,040,000
<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>	<u>7,962,839</u>
(1,196,457)	(1,395,540)	(2,357,898)	(2,522,350)	(2,716,631)	(2,024,707)
-	6,000,000 C	-	-	-	-
-	3,100,000 D	-	-	-	-
-	(2,930,000) D	-	-	-	-
1,767,478	2,160,929	2,874,484	3,276,767	3,638,885	4,457,253
<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>(1,793,667)</u>
585,468	7,084,081	321,544	406,434	2,347,835	2,663,586
<u>\$ (610,989)</u>	<u>\$ 5,688,541</u>	<u>\$ (2,036,354)</u>	<u>\$ (2,115,916)</u>	<u>\$ (368,796)</u>	<u>\$ 638,879</u>
18.1%	17.8%	20.7%	20.4%	18.8%	18.7%

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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>
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
2015	433,212,953	433,212,953	64,160,968

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



TABLE B-1

<u>Personal (1)</u> <u>Estimated</u> <u>Actual Value</u>	<u>Total Property</u>		<u>Ratio of Total</u> <u>Assessed to</u> <u>Total</u> <u>Estimated</u> <u>Actual Value</u>	<u>Total</u> <u>Direct Rate</u> <u>Applied</u>
	<u>Assessed</u> <u>Value</u>	<u>Estimated</u> <u>Actual Value</u>		
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%
64,160,968	497,373,921	497,373,921	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>
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
2015	.00	1.3900	0.6461	2.0361

<u>County Fiscal Year</u>	<u>City General Fund</u>	<u>School District</u>	<u>County</u>	<u>Total</u>
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
2015	-	20,316,019	18,956,761	39,272,780

**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 2016 KILOWATT HOURS**

(*) Name	Kilowatt Hours	Rank	Percent of Total
Livingston Independent School Dist.	8,559,646	1	10.26%
Polk County	3,038,037	2	3.64%
Brookshire Brothers	2,384,146	3	2.86%
Lowe's Home Improvement	2,253,951	4	2.70%
HEB Grocery	1,880,083	5	2.25%
The Bradford	1,145,617	6	1.37%
McDonald's	920,070	7	1.10%
Factory Stores of America	896,364	8	1.07%
Pine Ridge Healthcare Center	860,738	9	1.03%
Livingston Telephone	635,384	10	0.76%
First State Bank	-		0.00%
	<u>22,574,036</u>		<u>27.07%</u>

**TEN LARGEST ELECTRIC CUSTOMERS**  
**FISCAL 2007 KILOWATT HOURS**

Kilowatt Hours	Rank	Percent of Total
8,377,121	1	10.39%
1,929,936	4	2.39%
2,297,033	2	2.85%
2,084,713	3	2.59%
1,605,702	5	1.99%
-		0.00%
656,573	9	0.81%
1,302,908	6	1.62%
806,026	7	1.00%
652,372	10	0.81%
669,158	8	0.83%
<u>20,381,542</u>		<u>25.28%</u>

**TEN LARGEST WATER CUSTOMERS**  
**FISCAL 2016 GALLONS USED**

(*) Name	Gallons Used	Rank	Percent of Total
Texas Department of Criminal Just.	260,812,000	1	46.74%
IAH Detention Facility	28,431,000	2	5.10%
Memorial Medical Center	14,643,000	3	2.62%
Livingston Independent School Dist.	11,950,000	4	2.14%
Polk County	7,604,000	5	1.36%
Pine Hill Apartments	5,645,000	6	1.01%
The Bradford	4,820,000	7	0.86%
Camp Cho Yeh	4,628,000	8	0.83%
Pine Ridge Healthcare Center	3,345,000	9	0.60%
La Quinta	2,035,000	10	0.36%
Walmart	-		0.00%
Lowe's Home Improvement	-		0.00%
Super 8 (Econolodge)	-		0.00%
	<u>343,913,000</u>		<u>61.64%</u>

**TEN LARGEST WATER CUSTOMERS**  
**FISCAL 2007 GALLONS USED**

Gallons Used	Rank	Percent of Total
202,695,000	1	42.44%
-		0.00%
10,374,000	3	2.17%
11,511,000	2	2.41%
4,445,000	6	0.93%
7,096,000	4	1.49%
-		0.00%
6,666,000	5	1.40%
3,360,000	7	0.70%
-		0.00%
3,297,000	8	0.69%
2,371,000	10	0.50%
2,505,000	9	0.52%
<u>254,320,000</u>		<u>53.25%</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>
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	-	-
2015-16	N/A	N/A	N/A	-	-

\* City discontinued levying property taxes in fiscal 1989.

TABLE B-4

<u>Total Collections as Percent of Current Levy</u>	<u>Adjustment</u>	<u>Outstanding Delinquent Taxes</u>	<u>Outstanding Delinquent as a Percent of Total Tax Levy</u>
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			
	2006	2007	2008	2009
Mining	\$ 60,829	\$ 756,938	\$ 285,694	\$ 139,367
Construction	11,059,135	11,376,991	8,329,709	2,566,018
Manufacturing	5,178,592	6,562,549	7,440,687	4,670,834
Transportation, communication, utility	74,518	63,730	152,921	293,334
Wholesale Trade	8,451,726	8,816,753	8,944,623	7,407,560
Retail Trade	119,034,315	128,368,896	137,752,269	136,583,087
Finance, insurance, real estate	1,177,586	1,690,872	1,741,041	1,666,834
Services	<u>32,216,522</u>	<u>29,680,044</u>	<u>34,724,520</u>	<u>34,823,277</u>
Total	<u>\$177,253,223</u>	<u>\$ 187,316,773</u>	<u>\$ 199,371,464</u>	<u>\$ 188,150,311</u>

Source: State Comptroller's Office

TABLE B-5

Fiscal Year					
2010	2011	2012	2013	2014	2015
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5,362,638	5,188,507	5,879,331	4,302,348	4,357,712	5,839,513
4,047,613	3,615,697	4,907,254	6,711,331	5,935,164	7,437,680
285,717	324,431	226,591	231,890	248,119	229,389
6,784,579	9,500,142	9,603,888	10,848,869	10,046,996	9,793,097
132,247,339	133,603,936	138,173,284	142,313,890	142,208,459	124,622,403
1,120,298	1,149,143	1,865,566	1,899,028	2,013,205	2,471,029
34,106,509	34,841,742	36,840,033	38,727,778	39,477,491	43,277,048
<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>	<u>\$ 193,670,159</u>

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

	Fiscal Year			
	2007	2008	2009	2010
Electrical revenues	\$ 8,016,265	\$ 8,918,291	\$ 9,387,165	\$ 10,362,512
Water revenues	1,629,707	1,765,155	1,749,976	2,326,923
Sewer revenues	<u>1,153,855</u>	<u>1,245,812</u>	<u>1,232,793</u>	<u>1,279,476</u>
Total	<u>\$ 10,799,827</u>	<u>\$ 11,929,258</u>	<u>\$ 12,369,934</u>	<u>\$ 13,968,911</u>

Sources: Various City Departments



TABLE B-6

Fiscal Year					
2011	2012	2013	2014	2015	2016
\$ 11,196,010	\$ 10,123,366	\$ 12,539,645	\$ 12,262,970	\$ 14,952,135	\$ 17,663,467
2,279,605	2,107,111	2,908,495	2,916,915	2,707,222	2,947,552
<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>2,080,570</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>	<u>\$ 22,691,589</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>
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
2015-16	5,800,000	1,510,000	21,280,000	28,590,000

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>
6.19%	1,697	1,691	5,433 (2)
5.11%	1,558	1,548	5,433
4.44%	1,413	1,402	5,433
5.14%	1,762	1,751	5,433
4.33%	1,634	1,622	5,335 (4)
6.98%	2,617	2,615	5,335
16.55%	6,279	6,277	5,335
17.04%	5,976	5,973	5,335
15.85%	5,670	5,669	5,335
14.75%	5,359	5,356	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>
2006-07	5,433 (2)	251,088,683	9,220,000	32,042
2007-08	5,433	381,313,665	8,465,000	56,185
2008-09	5,433	416,592,823	7,675,000	58,323
2009-10	5,433	457,462,152	9,575,000	60,119
2010-11	5,335 (4)	462,301,785	8,715,000	62,171
2011-12	5,335	463,507,282	13,960,000	11,028
2012-13	5,335	461,305,932	33,500,000	11,906
2013-14	5,335	483,038,851	31,880,000	12,825
2014-15	5,335	487,364,377	30,250,000	6,523
2015-16	5,335	497,373,921	28,590,000	13,362

(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>
9,187,958	-	1,691
8,408,815	-	1,548
7,616,677	-	1,402
9,514,881	-	1,751
8,652,829	-	1,622
13,948,972	-	2,615
33,488,094	-	6,277
31,867,175	-	5,973
30,243,477	-	5,669
28,576,638	-	5,356

**CITY OF LIVINGSTON, TEXAS**  
**COMPUTATION OF DIRECT AND OVERLAPPING DEBT**  
**September 30, 2016**

<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	\$ 28,590,000	100%	\$ 28,590,000
(1) Livingston Independent School District	55,430,000	20%	11,086,000
(2) County of Polk	26,056,326	13%	3,387,322
Total overlapping debt	81,486,326		14,473,322
Total direct and overlapping debt	\$ 110,076,326		\$ 43,063,322

(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, 2016**

Assessed value, year 2015	<u>\$ 497,373,921</u>
Debt Limit - Ten Percent of assessed value	49,737,392
Amount of Debt Applicable to Debt Limit:	
General Obligation bonds	1,510,000
Other debt (certificate of obligation and contracts payable)	<u>27,080,000</u>
Total debt	<u>28,590,000</u>
Less: Assets in debt service fund	13,362
Total amount of debt applicable to debt limit	<u>28,576,638</u>
Legal debt margin	<u>\$ 21,160,754</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>
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%
2016	\$ 49,737,392	\$ 28,576,638	\$ 21,160,754	42.54%

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>
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	187,114,455	35,073	6.30%
2014-15	5,335	190,864,960	35,776	5.90%
2015-16	5,335	193,879,235	36,341	6.90%

\* 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	<u>2016</u>			<u>2007</u>		
	<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 Independent School Dist.	575	1	7.37%	600	1	7.82%
Memorial Medical Center	370	2	4.74%	139	8	1.81%
Polk County	263	3	3.37%	300	3	3.91%
Wal-Mart Super Center	230	4	4.12%	500	2	6.52%
Sam Houston Electric Coop	157	5	2.01%	153	6	1.99%
Lowe's Home Improvement	143	6	1.83%	123	9	1.60%
IAH Detention Facility	141	7	1.81%	-	-	0.00%
The Bradford	124	8	1.59%	-	-	0.00%
First National Bank	103	9	1.32%	77	10	1.00%
Brookshire Brothers	90	10	1.15%	148	7	1.93%
Camp Cho Yeh	-		0.00%	178	4	2.32%
Pine Ridge Healthcare Center	-		0.00%	175	5	2.28%
	<u>2,196</u>		<u>29.31%</u>	<u>2,393</u>		<u>31.19%</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,					
FUNCTION/PROGRAM	2007	2008	2009	2010	2011
Administrative    B	11	12	10	10	12
Fire                A	2	2	2	2	2
Police					
Officers	18	17	18	18	18
Other staff	5	6	6	6	8
Paving and street	7	5	5	6	5
Parks and recreation	10	8	11	11	8
Library	5	4	5	5	5
Garage	2	2	2	2	2
Electric, Water & Sewer	<u>16</u>	<u>18</u>	<u>18</u>	<u>19</u>	<u>17</u>
Total	<u>76</u>	<u>74</u>	<u>77</u>	<u>79</u>	<u>77</u>

Sources: Various City Departments

- A. The City does not have a paid fire department. The City has approximately 40 citizens who volunteer to serve in the fire department.
- B. Includes 2 employees assigned to community development and 1 employee assigned to Main Street for 2006 and subsequent years.

TABLE E-1

<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
12	12	12	12	12
2	2	2	1	1
18	18	18	18	18
8	8	8	8	8
6	4	6	7	6
8	7	9	9	9
5	5	5	5	5
2	2	2	2	2
<u>16</u>	<u>17</u>	<u>21</u>	<u>19</u>	<u>20</u>
<u>77</u>	<u>75</u>	<u>83</u>	<u>81</u>	<u>81</u>

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

<b><u>FUNCTION/PROGRAM</u></b>	<b>Fiscal Year</b>			
	<b><u>2007</u></b>	<b><u>2008</u></b>	<b><u>2009</u></b>	<b><u>2010</u></b>
Police				
Violations (Traffic & Criminal)	3,047	2,823	3,309	3,317
Fire				
Fire Calls	728	863	797	717
Library				
Volumes of Books	22,426	20,770	22,409	22,287
Electric				
Average daily kilowatt hours sold	227,240	224,443	230,289	238,439
Total customers	3,325	3,329	3,331	3,296
Water				
Average daily consumption	1,347,079	1,445,855	1,480,375	1,567,956
Total connections	3,224	3,214	3,270	3,265

Sources: Various City Departments



TABLE E-2

2011	2012	2013	2014	2015	2016
4,494	4,880	4,881	4,588	4,402	4,840
850	613	572	508	531	592
23,544	21,759	19,599	18,335	19,798	19,817
243,342	227,099	232,027	232,292	234,643	230,634
3,286	3,295	3,310	3,320	3,316	3,313
1,611,014	1,507,419	1,956,984	1,847,951	1,458,384	1,528,677
3,251	3,261	3,293	3,286	3,299	3,289

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

<b>FUNCTION/PROGRAM</b>	<b>Fiscal Year</b>			
	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
Police				
Patrol Units	9	7	8	10
Fire				
Stations and substation	3	3	3	3
Vehicles including fire trucks	9	17	17	17
Paving and Street				
Miles of Paved Streets	49.20	53.24	55.74	58.06
Miles of Paved Sidewalks	12.50	12.50	12.50	12.50
Street lights	711	721	721	723
Night lights	481	468	468	424
Parks & Recreation				
Acres of Parks	373.50	373.50	373.50	373.50
Water				
Miles of water mains	33.95	34.40	35.98	40.43
Storage capacity-gallons	2,150,000	2,150,000	2,150,000	2,150,000
Sewer				
Miles of sewer lines	78.12	78.88	78.88	80.00

Sources: Various City Departments

TABLE E-3

2011	2012	2013	2014	2015	2016
10	16	16	16	17	17
3 17	3 17	3 15	3 17	3 15	3 15
58.06 12.50 818 435	58.06 12.50 824 452	58.06 12.50 819 452	58.06 12.50 821 467	58.06 12.50 826 463	59.06 12.50 828 492
373.50	373.50	373.50	373.50	373.50	373.50
45.25 2,150,000	45.78 2,150,000	45.78 2,150,000	46.63 3,150,000	47.43 3,300,000	48.18 3,300,000
80.00	80.00	80.75	80.75	81.30	81.60

**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**

2007	5,465	2012	5,572
2008	5,465	2013	5,572
2009	5,537	2014	5,572
2010	5,554	2015	5,572
2011	5,572	2016	5,572

**TRANSPORTATION FACILITIES**Streets

59.06 Miles paved street  
9.85 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" 13.28 miles  
6" 21.15 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 - 81.6 miles of line  
Storm - Adequate for proper  
drainage

## CITY OF LIVINGSTON, TEXAS

## MISCELLANEOUS STATISTICAL DATA - UNAUDITED

**PERSONNEL**

<u>Department</u>	<u>Number of Employees</u>	<u>Employees Statistics</u>	
		<u>Years of Service</u>	<u>Number of Employees</u>
Administrative	10	31+	5
Electric	7	20-30	6
Water	9	15-19	13
Sewer	4	10-14	14
Police	25	6-9	12
Street	6	1-5	27
Parks and Recreational	6	Less than (one) 1 year	4
Library	5		
Garage	2		<u>81</u>
Community Devel.	2		
Fire	1		
Main Street	1		
Trade Days	<u>3</u>		
Total	<u>81</u>		

**PERSONNEL POLICY PROVISIONS**

Cost of Living Salary Adjustment

Merit System (all regular full-time employees)

Paid vacation (80 hours after one year)

(120 hours after 10 years)

(160 hours after 20 years)

Paid sick leave (80 hours) with 240 hours accrual

Paid Holidays (Ten)

Bereavement Leave (24 hours)

Earned personal leave days (Two)

Award program-Annual banquet, safety, service, attendance, and volunteer awards.

Education tuition reimbursement

Family Leave (FMLA)

Workers Compensation Program

Paid insurance Benefits - all regular

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

Retirement Benefits ratio match 2:1

Social Security

Volunteer Program (MVP)

Sick Leave Pool

Holiday Compensation

Law Enforcement Certificate Pay

Telecommunication Operator Certificate Pay

Paid uniforms for all service personnel

Healthy initiative program

Water/Wastewater Certificate pay

## 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  
 Four (4) 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

\$239,078 fines collected  
 4,840 violations

**FIRE PROTECTION**Personnel

One (1) Fire Chief  
 Forty (40) volunteer firemen  
 One (1) radio dispatcher - full time and (standby-PD)  
 One (1) secretary

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 (6 sets with 1 set of air bags)  
 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

Housing

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

1996 Station 2 - 5 Truck bays

2007 Station 3 - 2 Truck bays

2016 Station 4 - 5 Truck bays  
       (under construction)

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

Total Fire Calls

2015-2016 - 592 fire calls

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

## CITY OF LIVINGSTON, TEXAS

## MISCELLANEOUS STATISTICAL DATA - UNAUDITED

POPULATION INFORMATION

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

ENTERPRISES AS OF SEPTEMBER 30, 2015

(1) CenterPoint Energy	Gas Utility	Active Customers 1,155 Inactive Customers N/A
(1) LivCom	Telephone System	Access Lines - 5,361
(1) LivCom	Television Cable	Customers - 973
City of Livingston	Electric & Water Systems	Electric Customers 3,313 Water Customers 3,289
(1) Information provided by individual corporate offices		

CITY ELECTRIC DEPARTMENT STATISTICS (LAST TEN YEARS)

Fiscal Year	Number of Customers	KWH Consumed		Total
		Residential	Commercial	
2007	3,325	30,371,804	52,570,936	82,942,740
2008	3,329	29,226,472	52,695,081	81,921,553
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
2016	3,313	28,627,609	55,553,783	84,181,392



## CITY OF LIVINGSTON, TEXAS

## MISCELLANEOUS STATISTICAL DATA - UNAUDITED

MUNICIPAL SALES TAX

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
2015-16	\$ 3,597,499

WATER DEPARTMENT STATISTICS (LAST TEN YEARS)

<u>Year</u>	<u>Gallons Consumed *</u>	<u>Gallons Pumped</u>
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
2016	567,570,000	765,176,000

\* 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 - 279 Certified  
 113 Aides Para Professional  
 87 Auxiliary  
 Average Daily Attendance - 3,871.5 Inclusive

Public School Administrative Personnel

Superintendent - One (1)  
 Chief Officers - Three (3)  
 Principals - Eight (8)  
 Asst. Principals - Ten (10)  
 Counselors - Eleven (11)  
 Directors of Special Prog./Curriculum -  
 Eight (8)  
 Other - Fifty-Five (55)

Private

Private Kindergarten and/or  
 Nursery Schools - Three (3)

College

Angelina Junior College/  
 Polk County Commerce Center Fall 2016  
 Enrollment 306

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

## CITY OF LIVINGSTON, TEXAS

## MISCELLANEOUS STATISTICAL DATA - UNAUDITED

CULTURAL AND RECREATIONAL ACTIVITIESBarney Wiggins Fairgrounds

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

Matthews Park

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

Youth Center - South Washington

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

Livingston Municipal Library

Located at 707 North Tyler Avenue. Opened  
 at new location May 2014 valued at \$2,500,000.  
 Staff-Professional Librarian, Four (4) Assistants,  
 Janitorial help.  
 Volumes; 2016 - 19,817

Joe Pedigo City Park

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

ELECTION INFORMATION

* Number of registered voters in County November 2016	38,530
* Number voting in last general election November 2016	34,480
Number of registered voters in City 2016	3,218
** Number voting in last Municipal election (May 2016)	247
Percentage of voters voting:	
Last general election (County) (November 2016)	89.5%
** Last Municipal election (Municipal) (May 2016)	7.7%

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

\*\* Information provided by City of Livingston.

**CITY OF LIVINGSTON, TEXAS**  
**CITY OFFICIALS**  
**For the Year Ended September 30, 2016**

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<u>Name</u>	<u>Title</u>	<u>Amount of Surety Bond</u>
Clarke Evans	Mayor	\$ 25,000
Billy S. Wiggins	Mayor Pro-tem	25,000
Judy Cochran	Alderwoman	25,000
Raymond Luna	Alderman	25,000
Elgin Davis	Alderman	25,000
Alan Cook	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.