

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

**FISCAL YEAR  
OCTOBER 1, 2016 - SEPTEMBER 30, 2017  
ISSUED BY: FINANCE DEPARTMENT  
PATRICIA CRAWFORD**

**CITY OF LIVINGSTON, TEXAS  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
SEPTEMBER 30, 2017**

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# *City of Livingston, Texas*

A Texas Main Street City Since 2005

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

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March 1, 2018

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, 2017 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

Billy S. Wiggins, City Manager

Ellie Monteaux, City Secretary

Council Members: Judy Cochran, Raymond Luna, Elgin Davis, Alan Cook, Marion A. 'Bid' Smith

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.

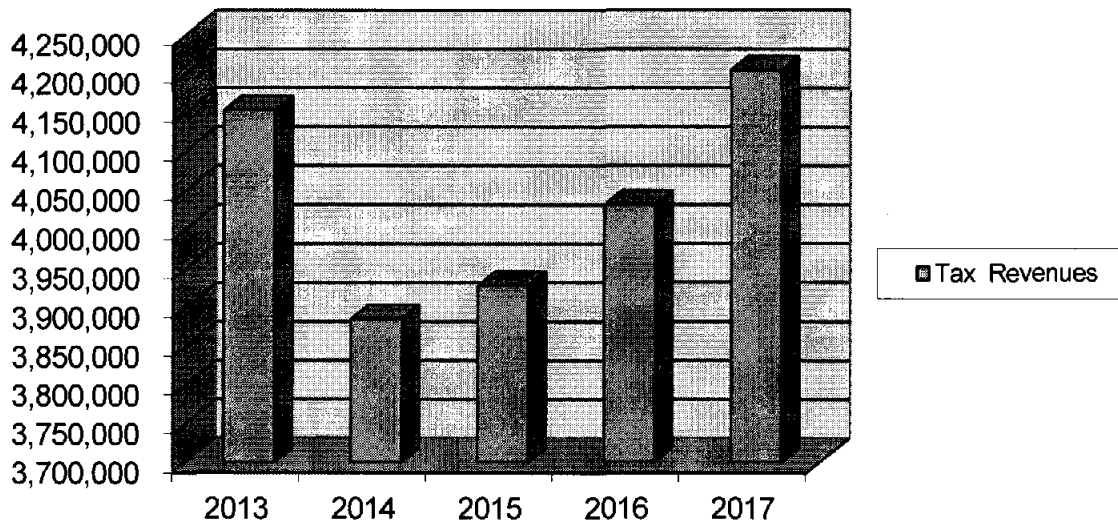
In accordance with the State Laws of Texas, the City has formally established budgetary accounting control for its operating funds. Budgetary control is maintained at the department head/function level. Financial reports are produced showing budget and actual expenditures by line item, and are distributed 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 2017. Sales tax revenue, a major indicator of the economic condition of the area, increased from \$3,597,000 to \$3,760,000, an increase of \$163,000 or 4.5%.

In fiscal 2017, hotel occupancy tax increased by 6.5%, gross receipts and franchise fees decreased by 6.0%, sanitation service revenue increased by 10.2%, municipal court fines increased by 8.8%, and parks and recreation and library user fees increased by 3.1%.

A graph of tax receipts follows:



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 also decreased by 2.2% with total gallons of water consumed decreasing from 567,570,000 in 2016 to 558,662,000 in 2017. The Texas Department of Criminal Justice Polunsky Unit, located on FM 350 South, continued as the City's leading water and wastewater user consuming 268,694,000 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 23,762,000 gallons of water. Together, these two facilities represent 52.3% of water and sewer consumption, or 292,456,000 gallons of the total water consumed in fiscal year 2017.



## Economic Development

A total of 63 building permits were issued by the City of Livingston for commercial and residential construction projects in calendar year 2017 with a total construction value of \$12,471,401. 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 2017 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 is continuing on a major capital improvement project funded by operating funds from the Sam Rayburn Municipal Power Agency, during the 2017-2018 year:

- 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 2018 and completion expected in January/February 2018.
- We have \$2,250,000 budgeted from the Utility Fund for the construction of two new Elevated Water Storage Tanks to be located on Walnut and West Streets.

## 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, 2017 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 opened 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 three months of the 2017 - 2018 fiscal year by about 11.5% from the first three months of 2016 - 2017 fiscal year. As other leading economic indicators continue to show signs of improvement such as hotel occupancy tax increasing by 14% in 2017, 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 started focusing 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 Council has approved the following capital projects to be completed.

- 1) \$150,000 stabilization and seal coat of Thunder Mountain Subdivision Streets.
- 2) \$250,000 water line upgrade from Walnut Street water tank to Hwy 146 as we will be increasing the 6" water line up to a 12" water line.
- 3) \$350,000 rehabilitation of Liberty Avenue following the water line work. We will be widening the street, reworking the ditches and stabilizing the street.
- 4) Installing an irrigation system at the Municipal Golf Course at a cost of approximately \$200,000.

- 5) Installing a 8'6" X 18'4" "Welcome to Livingston" masonry monument with planters to be installed at What-A-Burger pond to welcome visitors to our city.
- 6) Designation of \$900,000 for various street improvement projects around the City.

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 2017 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, 2017, 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, 2016. 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-nine consecutive years (fiscal years ended 1988-2016). We believe the current report continues to conform to the Certificate of Achievement program requirements, and

we are submitting it to GFOA.

#### Acknowledgement

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

Respectfully submitted,

A handwritten signature in cursive script that reads "Patricia Crawford". The signature is written in black ink and is positioned above the printed name and title.

Patricia Crawford  
Finance Director

# **CITY OF LIVINGSTON, TEXAS**

**September 30, 2017**

## **PRINCIPAL OFFICIALS**

### **City Council**

Mayor

Clarke Evans

Mayor Pro-tem

Judy Cochran

Alderman

Elgin Davis

Alderman

Raymond Luna

Alderman

Marion Smith

Alderman

Alan Cook

### **Administration**

City Manager

Billy S. Wiggins

City Finance Director

Patricia Crawford

City Secretary

Ellie Monteaux

City Attorney

Jim Wright

### **Form of Government**

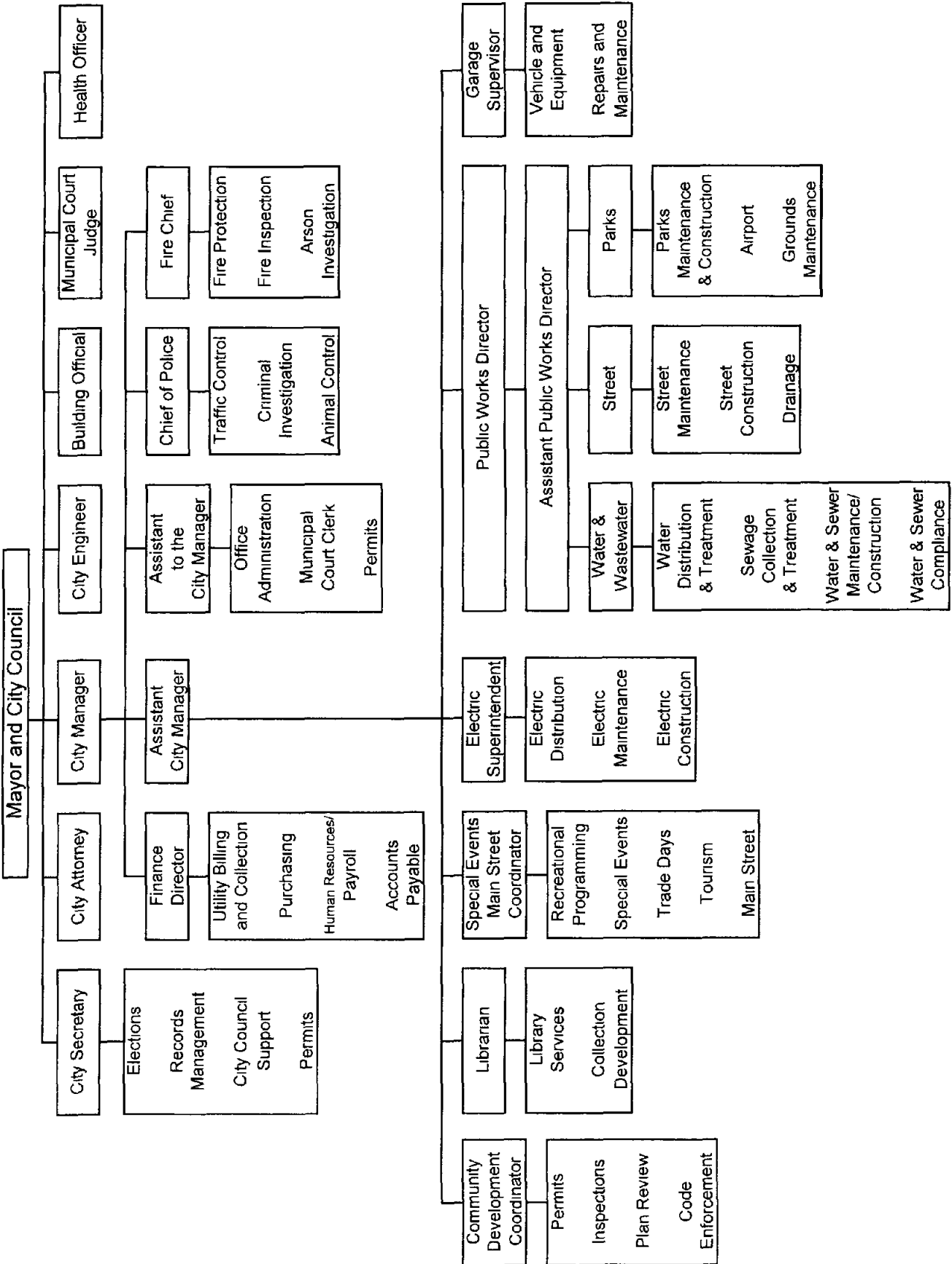
Council - Manager

General Law City

# CITY OF LIVINGSTON, TEXAS ORGANIZATIONAL CHART

2018

Approved By City Council 2/13/18





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, 2016**

*Christopher P. Morill*

Executive Director/CEO

## **FINANCIAL SECTION**



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## **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, 2017, 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, 2017, 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  
March 1, 2018

**CITY OF LIVINGSTON, TEXAS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**SEPTEMBER 30, 2017**

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, 2017. Please read it in conjunction with the accompanying transmittal letter and the accompanying basic financial statements.

**FINANCIAL HIGHLIGHTS**

- The City's net position of governmental activities decreased by \$428,000 or 8.0% as a result of the year's operations and a decline in transfers from the City's business type activities. The decrease from operations was due primarily to a decrease in grants revenue of \$123,000. Net position of the City's business type activities increased by \$4,898,000 or 14.4% during 2017. This increase was primarily a result of operating results for 2017.
- The City's total net position increased by \$4,471,000 or 11.3% during the current fiscal year. The increase is the result of the changes described above.
- Total cost of the City's government programs decreased \$18,000 or 0.2%. Expenses increased in the sanitation, police, parks and garage departments while decreasing in all others. The largest contributor to the decrease was decreased street department costs due to lower depreciation of \$160,000 due to reduced investment in street improvements in 2017.
- As of September 30, 2017, the City of Livingston's governmental funds reported combined ending fund balances of \$1,385,000 a decrease of \$1,002,000 in comparison with the prior fiscal year. The decrease is due primarily to a reduction in transfers from the Electric, Water and Sewer fund of \$1,841,000.
- At the end of the current fiscal year, the unassigned fund balance for the general fund was \$1,356,000 or approximately 20.1% of total general fund expenditures.
- The City's total bonded debt decreased by \$1,070,000 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 two 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 and debt service fund, both of which are considered to be major funds.

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

### **Other Information**

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

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

The City's combined net position was \$43,927,000 as of September 30, 2017. Analyzing the net position of governmental and business-type activities separately, the business type activities net position is \$38,983,000. 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 (62.33%) 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>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
Current and other assets	\$ 1,956,238	\$ 2,716,510	\$ 19,750,055	\$ 15,197,897	\$ 21,706,293	\$ 17,914,407
Capital assets	11,704,673	12,050,690	42,558,595	42,630,643	54,263,268	54,681,333
Total Assets	13,660,911	14,767,200	62,308,650	57,828,540	75,969,561	72,595,740
Deferred Outflows	896,421	1,053,833	451,918	534,551	1,348,339	1,588,384
Total assets and deferred outflows of resources	14,557,332	15,821,033	62,760,568	58,363,091	77,317,900	74,184,124
Long-term debt outstanding	6,240,000	7,310,000	20,645,000	21,280,000	26,885,000	28,590,000
Other liabilities	3,354,054	3,059,133	3,123,632	2,958,531	6,477,686	6,017,664
Total Liabilities	9,594,054	10,369,133	23,768,632	24,238,531	33,362,686	34,607,664
Deferred Inflows	18,515	79,566	9,328	40,390	27,843	119,956
Total liabilities and deferred inflows of resources	9,612,569	10,448,699	23,777,960	24,278,921	33,390,529	34,727,620
Net position (deficit):						
Net investment in capital assets	5,464,673	4,740,690	21,913,595	21,350,643	27,378,268	26,091,333
Restricted	14,443	13,362	472,253	123,885	486,696	137,247
Unrestricted	(534,353)	618,282	16,596,760	12,609,642	16,062,407	13,227,924
Total net position	\$ 4,944,763	\$ 5,372,334	\$ 38,982,608	\$ 34,084,170	\$ 43,927,371	\$ 39,456,504

An additional portion of the City's net position (1.1%) represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net position \$16,062,407 may be used to meet the government's ongoing obligations to citizens and creditors.

As of September 30, 2017, the City is able to report positive balances in all three categories of net position except the unrestricted net position of governmental activities. The governmental activities reflect a deficit in unrestricted net position at September 30, 2017 as a result of reduced transfers from the business-type activities. The City expects to return to a positive unrestricted net position for governmental activities through transfers from the business-type activities, which continue to reflect positive balances in net position.

The governmental activities total assets decreased by \$1,106,000. This decrease was primarily related to reduced transfers from the Electric, Water and Sewer Fund. Long-term debt of governmental activities decreased by \$1,070,000 as a result of the payment on outstanding bonds. The long-term debt of the business type activities decreased by \$635,000 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 \$4,470,867.

### **Governmental Activities**

Governmental activities decreased net position by \$427,571 from operating activities and reduced transfers from the Electric, Water and Sewer Fund. Net position invested in capital assets, net of related debt increased by \$723,983 or 15.3% due to the repayment of outstanding bonds and investment in equipment, buildings, and infrastructure net of depreciation. Unrestricted net position decreased by \$1,152,635 once again as a result of a reduction in transfers from the Electric, Water and Sewer Fund.

Total revenues for governmental activities increased from the previous year by \$249,789. The primary increase was in sales tax of \$162,165 and sanitation fees of \$112,122. Expenses decreased by 0.2% and were generally unchanged in most departments due to relatively stable pension costs.

### **Business-Type Activities**

Net position from business-type activities increased by \$4,898,438 or 14.4% from \$34,084,170 in 2016 to \$38,982,608 in 2017. The increase was primarily due to electric recoveries of approximately \$4,600,000 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) and excess debt service funds of \$684,000 along with operating results for the year, net of transfers to governmental activities of \$822,556.

The following table provides a summary of the City's operations for year ended September 30, 2017 with comparative totals for year ended September 30, 2016.



**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>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
Revenues:						
Program Revenues:						
Charges for						
Services	\$ 1,915,822	\$ 1,716,759	\$ 20,484,503	\$ 22,691,589	\$ 22,400,325	\$ 24,408,348
Capital Grants & Contributions	3,050	52,350	-	-	3,050	52,350
Operating Grants & Contributions	69,403	142,999	-	-	69,403	142,999
General Revenues:						
Property tax	-	-	-	-	-	-
Sales tax	3,759,664	3,597,499	-	-	3,759,664	3,597,499
Franchise tax	128,601	136,844	-	-	128,601	136,844
Hotel/Motel tax	316,075	296,831	-	-	316,075	296,831
Investment earnings	3,382	2,926	8,655	8,185	12,037	11,111
Total Revenues	<u>6,195,997</u>	<u>5,946,208</u>	<u>20,493,158</u>	<u>22,699,774</u>	<u>26,689,155</u>	<u>28,645,982</u>
Expenses:						
Administration	649,067	697,407	-	-	649,067	697,407
Sanitation	740,246	701,452	-	-	740,246	701,452
Fire	480,753	473,390	-	-	480,753	473,390
Police	2,259,591	2,171,640	-	-	2,259,591	2,171,640
Paving & Street	1,238,574	1,356,218	-	-	1,238,574	1,356,218
Parks & Recreation	1,101,262	1,061,374	-	-	1,101,262	1,061,374
Library	511,324	515,985	-	-	511,324	515,985
Garage	240,257	234,349	-	-	240,257	234,349
Interest on long-term debt	225,050	252,050	-	-	225,050	252,050
Electric, Water, and Sewer	-	-	14,772,164	14,721,612	14,772,164	14,721,612
Total Expenses	<u>7,446,124</u>	<u>7,463,865</u>	<u>14,772,164</u>	<u>14,721,612</u>	<u>22,218,288</u>	<u>22,185,477</u>
Excess (deficiency) before transfers	(1,250,127)	(1,517,657)	5,720,994	7,978,162	4,470,867	6,460,505
Transfers, net	<u>822,556</u>	<u>2,663,586</u>	<u>(822,556)</u>	<u>(2,663,586)</u>	<u>-</u>	<u>-</u>
Increase (decrease) in net position	(427,571)	1,145,929	4,898,438	5,314,576	4,470,867	6,460,505
Net position - October 1	<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>
Net position - September 30	<u>\$ 4,944,763</u>	<u>\$ 5,372,334</u>	<u>\$ 38,982,608</u>	<u>\$ 34,084,170</u>	<u>\$ 43,927,371</u>	<u>\$ 39,456,504</u>

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

### **Governmental Funds**

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

At the end of the current fiscal year, the City of Livingston's governmental funds reported combined ending fund balances of \$1,385,119. Approximately 97.9% of the total amount (\$1,356,179) 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 (\$14,443) and library (\$14,497) capital improvements.

The unassigned fund balance of the general fund decreased by \$1,015,929 from the prior year. The decrease was the result of a decrease in transfers from the Electric Water and Sewer fund. The restricted fund balance of the general fund increased by \$13,078 from the prior year. The increase was due to the receipt of library memorial funds for the purchase of library books.

In the general fund, the City budgeted for income of approximately \$208,124 on a GAAP basis. Due to a decrease in expected transfers from the proprietary fund of \$1,568,112, the actual fund balance decreased by \$1,002,851.

### **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 \$16,596,760. Total unrestricted net position increased in 2017 by \$4,898,438. 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 decreased budgeted revenues of \$3,350 or 0.06%. The decrease in budgeted revenues was primarily for a decrease in franchise tax revenues. Budgeted expenditures were decreased by \$303,570 or 4.2%. The decreases in budgeted expenditures were primarily for decreased capital improvement projects.

## CAPITAL ASSET AND DEBT ADMINISTRATION

### Capital Assets

At the end of the fiscal year 2017, the City had \$54,263,268 (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 0.8% (2.9% decrease for governmental activities and a 0.2% decrease in business-type activities) (See Table 3).

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

	Governmental Activities		Business-Type Activities		Totals	Totals
	2017	2016	2017	2016	2017	2016
Land	\$ 476,004	\$ 476,004	\$ 694,222	\$ 694,222	\$ 1,170,226	\$ 1,170,226
Water Rights	-	-	20,645,000	21,280,000	20,645,000	21,280,000
Buildings and improvements	3,935,278	4,068,322	284,549	296,041	4,219,827	4,364,363
Equipment and fixtures	1,446,495	1,364,324	487,390	415,652	1,933,885	1,779,976
Paving, sidewalks and streets	5,014,432	5,222,211	-	-	5,014,432	5,222,211
Parks development	736,388	814,312	-	-	736,388	814,312
Airport improvements	96,076	105,517	-	-	96,076	105,517
Utility systems	-	-	20,447,434	19,944,728	20,447,434	19,944,728
Total	<u>\$ 11,704,673</u>	<u>\$ 12,050,690</u>	<u>\$ 42,558,595</u>	<u>\$ 42,630,643</u>	<u>\$ 54,263,268</u>	<u>\$ 54,681,333</u>

This year's major additions included:

Police vehicle	\$ 86,633
Dump truck	72,896
Various street improvements	338,505
Parks truck	26,098
Garage crane	12,044
Electric deparment truck	39,998
Utility System Improvements	922,073
Total	<u>\$ 1,498,247</u>

The City's fiscal year 2018 capital budget calls for it to spend another \$5,137,000 for capital projects, principally for street improvements (\$650,000), police patrol cars (\$78,000), fire ladder truck (\$50,000), fire hose and firefighting communication equipment (\$32,000) park vehicle and office construction (\$132,000), garage improvements (\$125,000), electrical system improvements (\$461,000), and water and sewer system improvements (\$3,433,000). 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 \$6,240,000 in bonds outstanding as compared to \$7,310,000 at the end of the prior fiscal year, a decrease of 14.6% - as shown in Table 4.

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

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Totals</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
General obligation bonds (backed by the City)	\$ 490,000	\$ 1,510,000	\$ -	\$ -	\$ 490,000	\$ 1,510,000
Certificates of obligation (backed by the City)	<u>5,750,000</u>	<u>5,800,000</u>	<u>-</u>	<u>-</u>	<u>5,750,000</u>	<u>5,800,000</u>
Totals	<u>\$ 6,240,000</u>	<u>\$ 7,310,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,240,000</u>	<u>\$ 7,310,000</u>

The City's general obligation bonds and certificate of obligation continue to carry a triple A rating, the highest rating possible. This rating has been assigned to the City's tax-supported debt since 1970, by two national rating agencies. The City is permitted by Article XI, Section 5, of the State of Texas Constitution to levy taxes up to \$2.50 per \$100 of assessed valuation for general governmental services including the payment of principal and interest on general obligation long-term debt. The current ratio of tax-supported debt to assessed value of all taxable property is -0-%. The City does not currently assess property taxes but meets its debt obligations through sales tax receipts and other general revenues along with electric, water and sewer revenues.

Additional information on the City of Livingston's long-term debt can be found in footnote 9 on pages 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 2018 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 2017-2018 budget due to the uncertainty of economic trends in the national and local economies.

The General Fund's largest revenue source continues to be sales tax receipts since the City has not levied an ad valorem property tax since 1988. Currently, sales tax revenue accounts for approximately 14.1% of the City's total annual operating revenue. For the fiscal year ended September 30, 2017, sales tax revenue increased by 4.5%.

As for the City's business-type activities, fees for electric, water and sewer services account for about 76.8% of the city's total annual operating revenue. The City is hopeful that new commercial construction will increase in 2018 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 2018, 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, 2017**

	<b>PRIMARY GOVERNMENT</b>		
	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b><u>ASSETS</u></b>			
Cash	\$ 1,927,525	\$ 15,988,638	\$ 17,916,163
Certificates of deposit	-	1,500,000	1,500,000
Receivables:			
Returned checks receivable	3,463	31,656	35,119
Paving accounts receivable	25,250	-	25,250
Utility accounts receivable	-	1,757,508	1,757,508
Restricted assets - cash	-	472,253	472,253
Capital assets (net of accumulated depreciation):			
Land	476,004	694,222	1,170,226
Buildings and improvements	3,935,278	284,549	4,219,827
Equipment and fixtures	1,446,495	487,390	1,933,885
Paving, sidewalks and streets	5,014,432	-	5,014,432
Parks development	736,388	-	736,388
Airport improvements	96,076	-	96,076
Electrical system	-	4,091,418	4,091,418
Water system	-	9,619,377	9,619,377
Sewer system	-	6,736,639	6,736,639
Water service contract rights	-	20,645,000	20,645,000
Total Assets	<u>13,660,911</u>	<u>62,308,650</u>	<u>75,969,561</u>
<b><u>DEFERRED OUTFLOWS OF RESOURCES</u></b>			
Amounts related to pensions			
Contributions after December 31, 2016	326,795	165,221	492,016
Difference in actual experience and assumptions	569,626	286,697	856,323
Total Deferred Outflows of Resources	<u>896,421</u>	<u>451,918</u>	<u>1,348,339</u>
Combined Assets and Deferred Outflows of Resources	<u>\$ 14,557,332</u>	<u>\$ 62,760,568</u>	<u>\$ 77,317,900</u>

See accompanying notes to financial statements

**CITY OF LIVINGSTON, TEXAS**  
**GOVERNMENT-WIDE STATEMENT OF NET POSITION**  
**SEPTEMBER 30, 2017**

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	<b>PRIMARY GOVERNMENT</b>		
	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b><u>LIABILITIES</u></b>			
Accounts payable	\$ 571,119	\$ 1,165,173	\$ 1,736,292
Meter deposits	-	556,312	556,312
Noncurrent Liabilities:			
Net pension liability	2,782,935	1,402,147	4,185,082
Due within one year	540,000	655,000	1,195,000
Due in more than one year	<u>5,700,000</u>	<u>19,990,000</u>	<u>25,690,000</u>
Total Liabilities	<u>9,594,054</u>	<u>23,768,632</u>	<u>33,362,686</u>
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>			
Amounts related to pensions			
Difference in expected and actual experience	<u>18,515</u>	<u>9,328</u>	<u>27,843</u>
Total Deferred Inflows of Resources	<u>18,515</u>	<u>9,328</u>	<u>27,843</u>
Combined Liabilities and Deferred Inflows of Resources	<u>9,612,569</u>	<u>23,777,960</u>	<u>33,390,529</u>
<b><u>NET POSITION</u></b>			
Net investment in capital assets	5,464,673	21,913,595	27,378,268
Restricted for:			
System improvements	-	61,954	61,954
Debt service	14,443	410,299	424,742
Unrestricted	<u>(534,353)</u>	<u>16,596,760</u>	<u>16,062,407</u>
Total Net Position	<u>\$ 4,944,763</u>	<u>\$ 38,982,608</u>	<u>\$ 43,927,371</u>

See accompanying notes to financial statements



**CITY OF LIVINGSTON, TEXAS**  
**GOVERNMENT-WIDE STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2017**

FUNCTIONS/PROGRAMS	Expenses	Program Revenues		
		Charges for Services	Capital Grants and Contributions	Operating Grants and Contributions
Governmental activities:				
Administrative	\$ 649,067	\$ 142,640	\$ -	\$ -
Sanitation	740,246	1,215,053	-	-
Fire	480,753	-	-	48,645
Police	2,259,591	347,779	-	1,099
Paving and street	1,238,574	-	3,050	-
Parks and recreation	1,101,262	191,187	-	-
Library	511,324	19,163	-	19,659
Garage	240,257	-	-	-
Interest on long-term debt	225,050	-	-	-
Total governmental activities	<u>7,446,124</u>	<u>1,915,822</u>	<u>3,050</u>	<u>69,403</u>
Business-type activities:				
Electric, water and sewer	14,772,164	20,484,503	-	-
Total business-type activities	<u>14,772,164</u>	<u>20,484,503</u>	<u>-</u>	<u>-</u>
Total primary government	<u>\$ 22,218,288</u>	<u>\$ 22,400,325</u>	<u>\$ 3,050</u>	<u>\$ 69,403</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>
\$ (506,427)	\$ -	\$ (506,427)
474,807	-	474,807
(432,108)	-	(432,108)
(1,910,713)	-	(1,910,713)
(1,235,524)	-	(1,235,524)
(910,075)	-	(910,075)
(472,502)	-	(472,502)
(240,257)	-	(240,257)
<u>(225,050)</u>	<u>-</u>	<u>(225,050)</u>
<u>(5,457,849)</u>	<u>-</u>	<u>(5,457,849)</u>
 <u>-</u>	 <u>5,712,339</u>	 <u>5,712,339</u>
<u>-</u>	<u>5,712,339</u>	<u>5,712,339</u>
 <u>(5,457,849)</u>	 <u>5,712,339</u>	 <u>254,490</u>
 3,759,664	 -	 3,759,664
128,601	-	128,601
316,075	-	316,075
3,382	8,655	12,037
<u>822,556</u>	<u>(822,556)</u>	<u>-</u>
<u>5,030,278</u>	<u>(813,901)</u>	<u>4,216,377</u>
(427,571)	4,898,438	4,470,867
<u>5,372,334</u>	<u>34,084,170</u>	<u>39,456,504</u>
<u>\$ 4,944,763</u>	<u>\$ 38,982,608</u>	<u>\$ 43,927,371</u>

See accompanying notes to financial statements

**CITY OF LIVINGSTON, TEXAS  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
SEPTEMBER 30, 2017**

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	<u>General</u>	<u>Debt Service</u>
<b>ASSETS</b>		
Cash	\$ 1,913,082	\$ 14,443
Receivables:		
Returned checks receivable	3,463	-
Paving accounts receivable	<u>25,250</u>	<u>-</u>
Total Assets	<u>\$ 1,941,795</u>	<u>\$ 14,443</u>
<b>LIABILITIES</b>		
Accounts payable	<u>\$ 571,119</u>	<u>\$ -</u>
Total Liabilities	<u>571,119</u>	<u>-</u>
<b>FUND BALANCES</b>		
Restricted for:		
Library Memorials	14,497	-
Debt Service	-	14,443
Unassigned	<u>1,356,179</u>	<u>-</u>
Total Fund Balances	<u>1,370,676</u>	<u>14,443</u>
Total Liabilities and Fund Balances	<u>\$ 1,941,795</u>	<u>\$ 14,443</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**

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\$ 1,927,525

3,463  
25,250

---

\$ 1,956,238

\$ 571,119

---

571,119

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14,497  
14,443  
1,356,179

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1,385,119

11,704,673

896,421

(2,782,935)

(18,515)  
(6,240,000)

---

\$ 4,944,763

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, 2017**

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	<u>General</u>	<u>Debt Service</u>
<b>REVENUES</b>		
Taxes:		
Sales taxes	\$ 3,759,664	\$ -
Franchise taxes	128,601	-
Hotel/Motel taxes	316,075	-
Licenses and permits	108,801	-
Charges for service	1,436,597	-
Fines and forfeitures	324,687	-
Miscellaneous	125,297	1,038
Total Revenues	<u>6,199,722</u>	<u>1,038</u>
<b>EXPENDITURES</b>		
Current:		
Administrative	603,605	-
Sanitation	740,126	-
Fire	461,063	-
Police	2,156,166	-
Paving and street	1,083,154	-
Parks and recreation	1,045,903	-
Library	405,867	-
Garage	234,152	-
Debt service:		
Principal retirement	-	1,070,000
Interest	-	225,050
Capital outlay:		
Street improvements	-	-
Total Expenditures	<u>6,730,036</u>	<u>1,295,050</u>
Deficiency of revenues over expenditures	<u>(530,314)</u>	<u>(1,294,012)</u>
<b>OTHER FINANCING SOURCES (USES)</b>		
Transfers in	822,556	1,295,093
Transfers out	<u>(1,295,093)</u>	-
Total other financing sources (uses)	<u>(472,537)</u>	<u>1,295,093</u>
Net change in fund balances	(1,002,851)	1,081
Fund Balances - beginning	<u>2,373,527</u>	<u>13,362</u>
Fund Balances - ending	<u>\$ 1,370,676</u>	<u>\$ 14,443</u>

See accompanying notes to financial statements

**Total  
Governmental  
Funds**

---

\$ 3,759,664  
128,601  
316,075  
108,801  
1,436,597  
324,687  
126,335  
6,200,760

603,605  
740,126  
461,063  
2,156,166  
1,083,154  
1,045,903  
405,867  
234,152

1,070,000  
225,050

-  
8,025,086

(1,824,326)

2,117,649  
(1,295,093)  
822,556

(1,001,770)

2,386,889

\$ 1,385,119

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, 2017**

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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	\$ (1,001,770)
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.	(346,017)
Change in the net pension liability reported as an increase in pension expense in the statement of activities	(149,784)
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>1,070,000</u>
Changes in net position of governmental activities	\$ <u>(427,571)</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, 2017**

	<b>Budgeted Amounts GAAP Basis</b>		
	<b>Original</b>	<b>Revisions</b>	<b>Final</b>
<b><u>REVENUES</u></b>			
Taxes:			
Sales taxes	\$ 3,550,000	\$ -	\$ 3,550,000
Franchise taxes	140,000	(8,000)	132,000
Hotel/Motel taxes	300,000	-	300,000
Licenses and permits	46,500	8,500	55,000
Charges for service	1,437,761	(49,000)	1,388,761
Fines and forfeitures	295,800	50,400	346,200
Miscellaneous	82,900	(5,250)	77,650
Total Revenues	<u>5,852,961</u>	<u>(3,350)</u>	<u>5,849,611</u>
<b><u>EXPENDITURES</u></b>			
Current:			
Administrative	650,855	(23,775)	627,080
Sanitation	705,000	34,000	739,000
Fire	529,385	(60,535)	468,850
Police	2,169,600	(15,050)	2,154,550
Paving and street	1,231,610	(109,850)	1,121,760
Parks and recreation	1,137,330	(75,555)	1,061,775
Library	414,340	(20,190)	394,150
Garage	349,990	(32,615)	317,375
Total Expenditures	<u>7,188,110</u>	<u>(303,570)</u>	<u>6,884,540</u>
Deficiency of revenues over expenditures	<u>(1,335,149)</u>	<u>300,220</u>	<u>(1,034,929)</u>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>			
Transfers in	2,482,264	(91,596)	2,390,668
Transfers out	<u>(1,147,114)</u>	<u>(501)</u>	<u>(1,147,615)</u>
Total other financing sources and (uses)	<u>1,335,150</u>	<u>(92,097)</u>	<u>1,243,053</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	<u>\$ 1</u>	<u>\$ 208,123</u>	<u>\$ 208,124</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>
\$ 3,759,664	\$ 209,664
128,601	(3,399)
316,075	16,075
108,801	53,801
1,436,597	47,836
324,687	(21,513)
125,297	47,647
<u>6,199,722</u>	<u>350,111</u>
603,605	23,475
740,126	(1,126)
461,063	7,787
2,156,166	(1,616)
1,083,154	38,606
1,045,903	15,872
405,867	(11,717)
234,152	83,223
<u>6,730,036</u>	<u>154,504</u>
<u>(530,314)</u>	<u>504,615</u>
822,556	(1,568,112)
<u>(1,295,093)</u>	<u>(147,478)</u>
<u>(472,537)</u>	<u>(1,715,590)</u>
(1,002,851)	<u>\$ (1,210,975)</u>
<u>2,373,527</u>	
<u>\$ 1,370,676</u>	

See accompanying notes to financial statements

**CITY OF LIVINGSTON, TEXAS**  
**STATEMENT OF NET POSITION PROPRIETARY FUNDS**  
**SEPTEMBER 30, 2017**

	<u><b>Business-Type Activities - Enterprise Fund</b></u>
	<u><b>Electric Water and Sewer</b></u>
<b>ASSETS</b>	
Current assets:	
Cash	\$ 15,988,638
Certificates of deposit	1,500,000
Restricted assets	
Cash in bank, water and sewer system improvements	61,954
Cash in bank, reserve fund	410,299
Receivables:	
Returned checks receivable	31,656
Utility accounts receivable	<u>1,757,508</u>
Total current assets	<u>19,750,055</u>
Noncurrent assets:	
Capital assets:	
Land	694,222
Building and improvements	507,925
Equipment and fixtures	2,576,132
Electrical system	5,946,207
Water system	12,472,839
Sewer system	9,853,842
Water service contract rights	<u>20,645,000</u>
	52,696,167
Less accumulated depreciation	<u>(10,137,572)</u>
Net capital assets	<u>42,558,595</u>
 Total Assets	 <u>62,308,650</u>
Deferred outflows of resources:	
Amounts related to pensions	
Contributions after December 31, 2016	165,221
Difference in actual experience and assumptions	<u>286,697</u>
 Total Deferred Outflows of Resources	 <u>451,918</u>
 Total Assets and Deferred Outflows of Resources	 <u>\$ 62,760,568</u>

See accompanying notes to financial statements

**CITY OF LIVINGSTON, TEXAS**  
**STATEMENT OF NET POSITION PROPRIETARY FUNDS**  
**SEPTEMBER 30, 2017**

**Business-Type Activities - Enterprise Fund**

**Electric  
Water and  
Sewer**

**LIABILITIES**

Current liabilities:

Accounts payable	\$ 1,165,173
Meter deposits	556,312
Contracts payable - Trinity River Authority	655,000
Total current liabilities	<u>2,376,485</u>

Noncurrent liabilities:

Net pension liability	1,402,147
Contracts payable - Trinity River Authority	19,990,000
Total noncurrent liabilities	<u>21,392,147</u>

Total liabilities	<u>23,768,632</u>
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Deferred inflows of resources:

Amounts related to pensions	
Difference in expected and actual experience	<u>9,328</u>

Total Deferred Inflows of Resources	<u>9,328</u>
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Total Liabilities and Deferred Inflows of Resources	<u>23,777,960</u>
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**NET POSITION**

Net investment in capital assets	21,913,595
Restricted for water and sewer system improvements	61,954
Restricted for Trinity River Authority contracts payable	410,299
Unrestricted	<u>16,596,760</u>

Total Net Position	<u>\$ 38,982,608</u>
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See accompanying notes to financial statements

**CITY OF LIVINGSTON, TEXAS**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION**  
**PROPRIETARY FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2017**

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**Business-Type Activities - Enterprise Fund**

	<b><u>Electric Water and Sewer</u></b>
<b><u>Operating revenues</u></b>	
Charges for sales and services:	
Electricity sales	\$ 9,415,098
Water sales	2,952,972
Sewer service charges	2,113,746
Penalties, utilities	151,148
Water tapping fees	22,887
Sewer tapping fees	4,550
Recoveries, electrical	5,277,748
Recoveries, water	391,718
Revenue, night lights	99,220
Service fees	55,416
Total Operating Revenues	<u>20,484,503</u>
<b><u>Operating expenses</u></b>	
Light and Power Department	9,693,978
Water Department	3,890,075
Sewer Department	660,354
Depreciation	527,757
Total Operating Expenses	<u>14,772,164</u>
Operating Income	5,712,339
Non-operating revenues:	
Interest income	<u>8,655</u>
Income Before Transfers	5,720,994
Transfers Out	<u>(822,556)</u>
Change in net position	4,898,438
Total net position - beginning	<u>34,084,170</u>
Total net position - ending	<u><b>\$ 38,982,608</b></u>

See accompanying notes to financial statements

**CITY OF LIVINGSTON, TEXAS  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2017**

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	<u><b>Business-Type Activities - Enterprise Fund</b></u>
	<u><b>Electric Water and Sewer</b></u>
Cash flows from operating activities:	
Cash received from customers	\$ 20,481,335
Cash payments to suppliers for goods and services	(12,586,612)
Cash payments to employees for services	<u>(1,441,120)</u>
Net cash provided by operating activities	<u>6,453,603</u>
Cash flows from noncapital financing activities:	
Transfers to other funds	<u>(822,556)</u>
Net cash used by noncapital financing activities	<u>(822,556)</u>
Cash flows from capital and related financing activities:	
Acquisition of capital assets	<u>(1,090,712)</u>
Net cash used for capital and related financing activities	<u>(1,090,712)</u>
Cash flows from investing activities:	
Interest on cash and investments	<u>8,655</u>
Net cash provided by investing activities	<u>8,655</u>
Net Change in Cash and Cash Equivalents	4,548,990
Cash and Cash Equivalents at Beginning of Year	<u>11,911,901</u>
Cash and Cash Equivalents at End of Year	<u>\$ 16,460,891</u>

(Continued)

**CITY OF LIVINGSTON, TEXAS  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2017**

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	<u><b>Business-Type Activities - Enterprise Fund</b></u>
	<u><b>Electric Water and Sewer</b></u>
Reconciliation of income from operations to net cash provided by operating activities:	
Income from operations	\$ 5,712,339
Adjustments to reconcile operating net income to net cash provided by operating activities:	
Depreciation	527,757
Change in operating assets and liabilities:	
Returned checks receivable	(187)
Utility accounts receivable	(2,981)
Deferred outflows	82,633
Accounts payable	123,013
Meter deposits	25,514
Net pension liability	16,577
Deferred inflows	<u>(31,062)</u>
Total adjustments	<u>741,264</u>
Net cash provided by operating activities	<u>\$ 6,453,603</u>
Reconciliation of total cash and cash investments:	
Unrestricted	\$ 15,988,638
Restricted	
Cash in bank, water and sewer system improvements	61,954
Cash in bank, reserve fund	<u>410,299</u>
Total cash and cash equivalents	<u>\$ 16,460,891</u>
	(Concluded)

See accompanying notes to financial statements

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



**CITY OF LIVINGSTON, TEXAS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2017**

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, 2017.

**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.

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 acquisition value on the date donated. Repairs and maintenance are recorded as expenses. Renewal and betterments are capitalized. Interest has not been capitalized during the construction period on property, plant and equipment.

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

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

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

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

### Budgetary Control

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

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

- (1) The proposed operating budget for the upcoming fiscal year beginning October 1 is submitted to the City Council by no later than September 1 of the current fiscal year. The operating budget includes proposed expenditures and the means of financing them for the upcoming year, along with estimates for the current year and actual data for the preceding year. The budget is submitted in summary form with more detailed line item budgets included for administrative control. The level of control for the detailed budgets is at the department head/function level.
- (2) A public hearing is conducted for comments regarding the proposed budget.
- (3) Prior to September 30, the budget is legally enacted through passage of an ordinance.
- (4) Budgetary control is maintained on an on-going basis for all City budgeted funds, including General, 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, 2017 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, 2017.

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, 2017:

<u>Fund</u>	<u>Transfer In</u>	<u>Transfer Out</u>
General Fund	\$ 822,556	\$ 1,295,093
Debt Service Fund	1,295,093	-
Electric, Water and Sewer Fund	-	822,556
Total	<u>\$ 2,117,649</u>	<u>\$ 2,117,649</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.

Unrestricted Net Position Deficit

The governmental activities reflected a deficit in unrestricted net position for the year ended September 30, 2017. The City expects to remove the deficit by transferring funds from the Electric, Water and Sewer Fund to the General Fund.

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

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

**NOTE 3 DEPOSITS AND INVESTMENTS:**

As of September 30, 2017, 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	<u>\$ 1,500,000</u>	0.156
Total Fair Value	<u>\$ 1,500,000</u>	
Portfolio weighted average maturity		0.156

**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, 2017 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, 2017.

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 2017.

**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, 2017:

Governmental funds capital outlays	\$ 807,251
Governmental funds depreciation expense	<u>(1,153,268)</u>
Amount by which capital outlays exceeded depreciation	\$ <u>(346,017)</u>
Pension Expense based on contributions	\$455,444
Pension Expense based on change in net pension liability	<u>(605,228)</u>
Amount by which pension expense exceeded pension contributions	\$ <u>(149,784)</u>
Repayment of principal of long-term debt	\$ 1,070,000
Total bonds issued and repayment of bonds	<u>\$ 1,070,000</u>

**NOTE 6 CAPITAL ASSETS:**

Capital asset activity for the year ended September 30, 2017 was as follows:

	Balance October 1, 2016	Additions	Retirements/ Adjustments	Balance September 30, 2017
Governmental Activities:				
Capital assets not being depreciated				
Land	\$ 476,004	\$ -	\$ -	\$ 476,004
Capital assets being depreciated				
Building and Improvements	6,642,677	75,130	(1)	6,717,808
Equipment and Fixtures	6,118,494	393,616	44,282	6,467,828
Paving, Sidewalks and Streets	16,422,729	338,505	-	16,761,234
Parks Development	3,472,336	-	-	3,472,336
Airport Improvements	719,575	-	-	719,575
Total capital assets being depreciated	<u>33,375,811</u>	<u>807,251</u>	<u>44,281</u>	<u>34,138,781</u>
Less accumulated depreciation for:				
Buildings and Improvements	(2,574,355)	(208,175)	-	(2,782,530)
Equipment and Fixtures	(4,754,170)	(311,444)	44,281	(5,021,333)
Paving, Sidewalks and Streets	(11,200,518)	(546,284)	-	(11,746,802)
Parks Development	(2,658,024)	(77,924)	-	(2,735,948)
Airport Improvements	<u>(614,058)</u>	<u>(9,441)</u>	<u>-</u>	<u>(623,499)</u>
Total accumulated depreciation	<u>(21,801,125)</u>	<u>(1,153,268)</u>	<u>44,281</u>	<u>(22,910,112)</u>
Total capital assets being depreciated, net	<u>11,574,686</u>	<u>(346,017)</u>	<u>-</u>	<u>11,228,669</u>
Governmental activities capital assets, net	<u>\$ 12,050,690</u>	<u>\$ (346,017)</u>	<u>\$ -</u>	<u>\$ 11,704,673</u>



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

	Balance October 1, 2016	Additions	Retirements/ Adjustments	Balance September 30, 2017
Business-type Activities:				
Capital assets not being depreciated				
Land	\$ 694,222	\$ -	\$ -	\$ 694,222
Water Service Contract Rights	21,280,000	-	635,000	20,645,000
	<u>21,974,222</u>	<u>-</u>	<u>635,000</u>	<u>21,339,222</u>
Capital assets being depreciated				
Building and Improvements	507,925	-	-	507,925
Equipment and Fixtures	2,407,496	168,635	(1)	2,576,132
Electrical System	5,762,705	183,502	-	5,946,207
Water System	11,913,215	559,624	-	12,472,839
Sewer System	9,674,895	178,946	(1)	9,853,842
Total capital assets being depreciated	<u>30,266,236</u>	<u>1,090,707</u>	<u>(2)</u>	<u>31,356,945</u>
Less accumulated depreciation for:				
Building and Improvements	(211,884)	(11,492)	-	(223,376)
Equipment and Fixtures	(1,991,844)	(96,898)	-	(2,088,742)
Electrical System	(1,764,786)	(90,003)	-	(1,854,789)
Water System	(2,670,573)	(182,889)	-	(2,853,462)
Sewer System	<u>(2,970,728)</u>	<u>(146,475)</u>	<u>-</u>	<u>(3,117,203)</u>
Total accumulated depreciation	<u>(9,609,815)</u>	<u>(527,757)</u>	<u>(1)</u>	<u>(10,137,572)</u>
Total capital assets being depreciated, net	<u>20,656,421</u>	<u>562,950</u>	<u>(1)</u>	<u>21,219,373</u>
Business-type activities capital assets, net	<u>\$ 42,630,643</u>	<u>\$ 562,950</u>	<u>\$ 634,999</u>	<u>\$ 42,558,595</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 2017, 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:

Administrative	\$ 45,252
Sanitation	120
Fire	45,058
Police	131,530
Paving and street	632,173
Parks and recreation	153,717
Library	130,623
Garage	14,795
Governmental Activities	<u>\$ 1,153,268</u>
Business-type activities	
Electric, Water and Street	<u>\$ 527,757</u>

The City's had no active construction projects as of September 30, 2017, but has plans for spending up to \$650,000 for street and \$3,900,000 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.tmrs.com](http://www.tmrs.com). All eligible employees of the City are required to participate in TMRS.

Benefits Provided

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

Benefits depend upon the sum of the employee's contributions to the Plan, with interest, and the City-financed monetary credits, with interest. At the date the Plan began, the City granted monetary credits for service rendered before the plan began of a theoretical amount at least equal to two times what would have been contributed by the employee, with interest (3% annual), prior to establishment of the Plan. Monetary credits for service since the plan began are a percent (100%, 150%, or 200%) of the employee's accumulated contributions. In addition, the City can grant, as often as annually, another type of monetary credit referred to as an updated service credit which is a theoretical amount which, when added to the employee's accumulated contributions and the monetary credits for service since the Plan began, would be the total monetary credits and employee contributions accumulated with interest if the current employee contribution rate and City matching percent had always been in existence and if the

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

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

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

The TMRS Board determined that the Entry Age Normal Cost method should be used effective December 31, 2013, which produces contribution rates that are more predictable and that exhibit less volatility than those produced under the previous Projected Unit Credit method. In addition, the City adopted a 30-year closed period for amortization with 29 years remaining.

Employees covered by benefit terms at the December 31, 2016 valuation and measurement date are as follows:

Inactive employees or beneficiaries currently receiving benefits	38
Inactive employees entitled to but not yet receiving benefits	14
Active employees	<u>81</u>
Total	<u>133</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, 2017, were \$628,150, and were equal to the required contributions.

**Net Pension Liability**

The City's Net Pension Liability (NPL) was measured as of December 31, 2016 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, 2016 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, 2016 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 2016 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 of 2.5%. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	17.5%	4.55%
International Equity	17.5%	6.35%
Core Fixed Income	10.0%	1.00%
Non-Core Fixed Income	20.0%	4.15%
Real Return	10.0%	4.15%
Real Estate	10.0%	4.75%
Absolute Return	10.0%	4.00%
Private Equity	<u>5.0%</u>	7.75%
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 12/31/15	\$ 24,400,929	\$ 20,285,847	\$ 4,115,082
Changes for the year:			
Service cost	621,499	-	621,499
Interest	1,636,121	-	1,636,121
Change of benefit terms	-	-	-
Difference between expected and actual experience	69,229	-	69,229
Changes in assumptions	-	-	-
Contributions - Employer	-	628,150	(628,150)
Contributions - Employee	-	273,960	(273,960)
Net Investment Income	-	1,371,056	(1,371,056)
Benefit payments, including refunds of employee contributions	(945,709)	(945,709)	-
Administrative expense	-	(15,483)	15,483
Other changes	-	(834)	834
Net changes	<u>1,381,140</u>	<u>1,311,140</u>	<u>70,000</u>
Balance at 12/31/16	<u>\$ 25,782,069</u>	<u>\$ 21,596,987</u>	<u>\$ 4,185,082</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	\$ 7,741,303	\$ 4,185,082	\$ 1,251,594

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, 2017, the City recognized pension expense of \$903,690. At September 30, 2017, 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 actual experience and assumptions	\$ 856,323	\$ -
Difference between expected and actual experience	-	27,843
Contributions subsequent to the measurement date (December 31, 2016)	<u>492,016</u>	<u>-</u>
Total	<u>\$ 1,348,339</u>	<u>\$ 27,843</u>

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

\$492,016 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, 2017. 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
2017	\$ 291,818
2018	291,819
2019	241,602
2020	(6,755)
2021	9,996
Total	<u>\$ 828,480</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 2016 was 0.25% 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, 2017, 2016, and 2015 were \$10,048, \$10,187, and \$12,117, respectively, which equaled the required contributions each year. The valuation date for the plan is December 31, 2016 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, 2017:

	<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	\$ 490,000
\$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	<u>5,750,000</u>
Total Bonds Payable	<u>\$ 6,240,000</u>

**Changes in Outstanding Debt-**

	<u>Balance October 1, 2016</u>	<u>Payments or Expenditures</u>	<u>Balance September 30, 2017</u>	<u>Due Within One Year</u>
<u>Governmental Type Activities</u>				
General Obligation Bonds	\$ 1,510,000	\$ 1,020,000	\$ 490,000	\$490,000
Certificates of Obligation	<u>5,800,000</u>	<u>50,000</u>	<u>5,750,000</u>	<u>50,000</u>
Total government	<u>\$ 7,310,000</u>	<u>\$ 1,070,000</u>	<u>\$ 6,240,000</u>	<u>\$ 540,000</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 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, 2017, are as follows:

General Obligation Bonds

Year Ending Sept. 30,	Governmental Activities		
	Principal	Interest	Total
2018	\$ 490,000	\$ 7,350	\$ 497,350
Total	\$ 490,000	\$ 7,350	\$ 497,350

Certificates of Obligation

Year Ending Sept. 30,	Governmental Activities		
	Principal	Interest	Total
2018	50,000	189,750	\$ 239,750
2019	220,000	188,100	408,100
2020	230,000	180,840	410,840
2021	235,000	173,250	408,250
2022	245,000	165,495	410,495
2023-2037	4,770,000	1,354,485	6,124,485
Total	\$ 5,750,000	\$ 2,251,920	\$ 8,001,920

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, 2017, the City paid approximately \$1,582,000 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>
2018	1,582,312
2019	1,582,663
2020	1,577,412
2021	1,580,713
2022	1,577,625
2023-2038	<u>24,949,312</u>
Total	<u>\$ 32,850,037</u>

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

	Balance October 1, 2016	Issues or Additions	Payments or Expenditures	Balance September 30, 2017	Due Within One Year
<u>Business Type Activities</u>					
Contracts payable	<u>\$ 21,280,000</u>	<u>\$ -</u>	<u>\$ 635,000</u>	<u>\$ 20,645,000</u>	<u>\$ 655,000</u>
Total business	<u>\$ 21,280,000</u>	<u>\$ -</u>	<u>\$ 635,000</u>	<u>\$ 20,645,000</u>	<u>\$ 655,000</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 \$4,600,000 (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 \$684,474.

**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, 2017 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 \$72,000 in federal and local grants in 2017 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>	<u>2016</u>
<b>Total pension liability</b>			
Service Cost	\$ 496,383	\$ 568,239	\$ 621,499
Interest (on the Total Pension Liability)	1,523,437	1,617,245	1,636,121
Changes of benefit terms	-	-	-
Difference between expected and actual experience	117,800	(214,821)	69,229
Change of assumptions	-	69,611	-
Benefit payments, including refunds of employee contributions	<u>(749,395)</u>	<u>(917,464)</u>	<u>(945,709)</u>
<b>Net Change in Total Pension Liability</b>	1,388,225	1,122,810	1,381,140
<b>Total Pension Liability - Beginning</b>	<u>21,889,894</u>	<u>23,278,119</u>	<u>24,400,929</u>
<b>Total Pension Liability - Ending</b>	<u><u>\$ 23,278,119</u></u>	<u><u>\$ 24,400,929</u></u>	<u><u>\$ 25,782,069</u></u>
<b>Plan Fiduciary Net Position</b>			
Contributions Employer	\$ 624,014	\$ 629,618	\$ 628,150
Contributions Employee	255,893	263,597	273,960
Net Investment Income	1,092,015	29,953	1,371,056
Benefit payments, including refunds of employee contributions	(749,395)	(917,464)	(945,709)
Administrative Expense	(11,401)	(18,244)	(15,483)
Other	<u>(937)</u>	<u>(902)</u>	<u>(834)</u>
<b>Net Change in Plan Fiduciary Net Position</b>	1,210,189	(13,442)	1,311,140
<b>Plan Fiduciary Net Position - Beginning</b>	<u>19,089,100</u>	<u>20,299,289</u>	<u>20,285,847</u>
<b>Plan Fiduciary Net Position - Ending</b>	<u><u>\$ 20,299,289</u></u>	<u><u>\$ 20,285,847</u></u>	<u><u>\$ 21,596,987</u></u>
<b>Net Pension Liability - Ending</b>	\$ 2,978,830	\$ 4,115,082	\$ 4,185,082
<b>Plan Fiduciary Net Position as a percentage of Total Pension Liability</b>	87.20%	83.14%	83.77%
<b>Covered Employee Payroll</b>	\$ 3,655,618	\$ 3,765,664	\$ 3,913,719
<b>Net Pension Liability as a Percentage of Covered Employee Payroll</b>	81.49%	109.28%	106.93%

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>	<u>2017</u>
Actuarially Determined Contribution	\$ 624,014	\$ 629,618	\$ 628,150
Contributions in relation to the actuarially determined contribution	<u>624,014</u>	<u>629,618</u>	<u>628,150</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered employee payroll	\$ 3,655,618	\$ 3,765,664	\$ 3,913,719
Contributions as a percentage of covered employee payroll	17.07%	16.72%	16.05%

**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	29 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.

See Independent auditor's report.

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**OTHER SUPPLEMENTARY INFORMATION**

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



**CITY OF LIVINGSTON, TEXAS  
BUDGETARY COMPARISON SCHEDULE  
DEBT SERVICE FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2017**

	<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	1,070,000	-	1,070,000
Interest	225,050	-	225,050
Total Expenditures	1,295,050	-	1,295,050
Excess (deficiency) of revenues over expenditures	(1,295,050)	-	(1,295,050)
<b><u>OTHER FINANCING SOURCES (USES)</u></b>			
Transfers in	1,147,114	501	1,147,615
Total other financing sources	1,147,114	501	1,147,615
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	\$ (147,936)	\$ 501	\$ (147,435)
Fund balances at beginning of year			
Fund balance at end of year			

<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>	
\$ 1,038	\$ 1,038	
<u>1,038</u>	<u>1,038</u>	
1,070,000	-	1,308,338
225,050	-	<u>1,308,338</u>
<u>1,295,050</u>	<u>-</u>	
<u>(1,294,012)</u>	<u>1,038</u>	
1,295,093	147,478	
<u>1,295,093</u>	<u>147,478</u>	
1,081	<u>\$ 148,516</u>	
<u>13,362</u>		
<u>\$ 14,443</u>		

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

## **GENERAL FUND**

**CITY OF LIVINGSTON, TEXAS  
GENERAL FUND - COMPARATIVE BALANCE SHEET  
SEPTEMBER 30, 2017 AND 2016**

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**ASSETS**

	<b><u>2017</u></b>	<b><u>2016</u></b>
Cash	\$ 1,913,082	\$ 2,671,496
Receivables:		
Returned checks receivable	3,463	3,468
Paving accounts receivable	<u>25,250</u>	<u>28,184</u>
Total Assets	<u>\$ 1,941,795</u>	<u>\$ 2,703,148</u>

**LIABILITIES AND FUND BALANCES**

**LIABILITIES**

Accounts payable	\$ <u>571,119</u>	\$ <u>329,621</u>
Total Liabilities	<u>571,119</u>	<u>329,621</u>

**FUND BALANCES**

Restricted for library memorials	14,497	1,419
Unassigned	<u>1,356,179</u>	<u>2,372,108</u>
Total Fund Balances	<u>1,370,676</u>	<u>2,373,527</u>
Total Liabilities and Fund Balances	<u>\$ 1,941,795</u>	<u>\$ 2,703,148</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, 2017**  
**WITH COMPARATIVE ACTUAL TOTALS FOR 2016**

	Budgeted Amounts GAAP Basis			
	Original	Revisions	Final	Actual
REVENUES				
Taxes:				
Sales taxes	\$ 3,550,000	\$ -	\$ 3,550,000	\$ 3,759,664
Franchise taxes	140,000	(8,000)	132,000	128,601
Hotel/Motel taxes	300,000	-	300,000	316,075
Licenses and permits	46,500	8,500	55,000	108,801
Charges for service	1,437,761	(49,000)	1,388,761	1,436,597
Fines and forfeitures	295,800	50,400	346,200	324,687
Miscellaneous	82,900	(5,250)	77,650	125,297
Total Revenues	<u>5,852,961</u>	<u>(3,350)</u>	<u>5,849,611</u>	<u>6,199,722</u>
EXPENDITURES				
Administrative	650,855	(23,775)	627,080	603,605
Sanitation	705,000	34,000	739,000	740,126
Fire	529,385	(60,535)	468,850	461,063
Police	2,169,600	(15,050)	2,154,550	2,156,166
Paving and street	1,231,610	(109,850)	1,121,760	1,083,154
Parks and recreation	1,137,330	(75,555)	1,061,775	1,045,903
Library	414,340	(20,190)	394,150	405,867
Garage	349,990	(32,615)	317,375	234,152
Total Expenditures	<u>7,188,110</u>	<u>(303,570)</u>	<u>6,884,540</u>	<u>6,730,036</u>
Excess of revenues over expenditures	<u>(1,335,149)</u>	<u>300,220</u>	<u>(1,034,929)</u>	<u>(530,314)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	2,482,264	(91,596)	2,390,668	822,556
Transfers out	<u>(1,147,114)</u>	<u>(501)</u>	<u>(1,147,615)</u>	<u>(1,295,093)</u>
Total other financing sources (uses)	<u>1,335,150</u>	<u>(92,097)</u>	<u>1,243,053</u>	<u>(472,537)</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	<u>\$ 1</u>	<u>\$ 208,123</u>	<u>\$ 208,124</u>	<u>(1,002,851)</u>
Fund balances at beginning of year				<u>2,373,527</u>
Fund balances at end of year				<u>\$ 1,370,676</u>

<b>Variance With Final Budget Positive (Negative)</b>	<b>2016 Actual</b>
\$ 209,664	\$ 3,597,499
(3,399)	136,844
16,075	296,831
53,801	61,394
47,836	1,357,043
(21,513)	298,337
47,647	189,117
<u>350,111</u>	<u>5,937,065</u>
23,475	584,899
(1,126)	701,332
7,787	438,882
(1,616)	2,047,847
38,606	1,172,773
15,872	1,066,921
(11,717)	395,455
83,223	250,905
<u>154,504</u>	<u>6,659,014</u>
<u>504,615</u>	<u>(721,949)</u>
(1,568,112)	3,159,431
(147,478)	(1,297,822)
<u>(1,715,590)</u>	<u>1,861,609</u>
\$ <u>(1,210,975)</u>	1,139,660
	<u>1,233,867</u>
	<u>\$ 2,373,527</u>



**CITY OF LIVINGSTON, TEXAS  
GENERAL FUND  
SCHEDULE OF EXPENDITURES-BUDGET (GAAP BASIS) AND ACTUAL  
FOR THE YEAR ENDED SEPTEMBER 30, 2017  
WITH COMPARATIVE ACTUAL TOTALS FOR 2016**

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	Budgeted Amounts GAAP Basis			
	Original	Revisions	Final	Actual
ADMINISTRATIVE DEPARTMENT				
Salaries	\$ 196,500	\$ (11,500)	\$ 185,000	\$ 173,964
Social Security	15,500	(2,500)	13,000	13,407
Retirement	89,675	(16,675)	73,000	76,333
Employee insurance	74,750	-	74,750	64,322
Insurance and bonds	11,330	-	11,330	8,410
Legal and professional	15,000	5,000	20,000	21,718
Auditing and accounting	12,500	1,000	13,500	13,267
Supplies	25,000	(1,000)	24,000	22,794
Repairs-building and grounds	10,000	25,000	35,000	37,416
Equipment repairs and maintenance	10,000	(1,000)	9,000	15,965
Gas and oil	2,200	(600)	1,600	2,104
Utility/telephone	14,000	(500)	13,500	13,145
Dues and subscriptions	12,000	-	12,000	11,462
Building demolitions	10,000	(3,000)	7,000	6,650
Transportation and contingency	102,200	(7,200)	95,000	91,774
Postage and miscellaneous	<u>20,200</u>	<u>4,200</u>	<u>24,400</u>	<u>6,505</u>
	620,855	(8,775)	612,080	579,236
Capital expenditures	<u>30,000</u>	<u>(15,000)</u>	<u>15,000</u>	<u>24,369</u>
Total Administrative	<u>650,855</u>	<u>(23,775)</u>	<u>627,080</u>	<u>603,605</u>
SANITATION DEPARTMENT				
Supplies	65,000	(3,000)	62,000	61,255
Refuse disposal/landfills	<u>640,000</u>	<u>37,000</u>	<u>677,000</u>	<u>678,871</u>
Total Sanitation	<u>705,000</u>	<u>34,000</u>	<u>739,000</u>	<u>740,126</u>

<b>Variance With Final Budget Positive (Negative)</b>	<b>2016 Actual</b>
\$ 11,036	\$ 193,272
(407)	15,161
(3,333)	85,634
10,428	72,101
2,920	8,803
(1,718)	20,893
233	13,450
1,206	25,911
(2,416)	7,739
(6,965)	6,077
(504)	1,420
355	16,544
538	11,054
350	9,705
3,226	80,028
<u>17,895</u>	<u>16,859</u>
32,844	584,651
<u>(9,369)</u>	<u>260</u>
<u>23,475</u>	<u>584,911</u>
745	61,389
<u>(1,871)</u>	<u>639,943</u>
<u>(1,126)</u>	<u>701,332</u>

**CITY OF LIVINGSTON, TEXAS  
GENERAL FUND  
SCHEDULE OF EXPENDITURES-BUDGET (GAAP BASIS) AND ACTUAL  
FOR THE YEAR ENDED SEPTEMBER 30, 2017  
WITH COMPARATIVE ACTUAL TOTALS FOR 2016**

	<b>Budgeted Amounts GAAP Basis</b>			<b>Actual</b>
	<b>Original</b>	<b>Revisions</b>	<b>Final</b>	
<b>FIRE DEPARTMENT</b>				
Salaries	160,000	(10,000)	150,000	152,362
Salaries, administration	36,000	(1,000)	35,000	32,246
Social Security	11,800	(1,000)	10,800	10,864
Retirement	22,650	(2,650)	20,000	17,530
Employee insurance	19,200	800	20,000	19,240
Insurance and bonds	30,750	-	30,750	28,320
Recruitment costs	1,500	(1,500)	-	-
Supplies	37,000	-	37,000	48,330
Repairs-building and grounds	1,500	(1,500)	-	-
Equipment repairs and maintenance	48,000	2,000	50,000	57,869
Gas and oil	6,985	(985)	6,000	8,009
Utility/telephone	12,500	-	12,500	14,488
Dues and subscriptions	3,000	-	3,000	2,651
Transportation and contingency	12,000	-	12,000	13,039
Maintenance contribution	22,850	(350)	22,500	22,356
Postage and miscellaneous	3,650	(350)	3,300	2,626
	429,385	(16,535)	412,850	429,930
Capital expenditures	100,000	(44,000)	56,000	31,133
Total Fire	529,385	(60,535)	468,850	461,063
<b>POLICE DEPARTMENT</b>				
Salaries	1,240,000	-	1,240,000	1,214,292
Salaries, administration	36,000	(1,000)	35,000	32,246
Social Security	97,650	-	97,650	97,032
Retirement	200,450	(10,450)	190,000	207,294
Employee insurance	197,550	-	197,550	199,776
Uniforms	3,650	-	3,650	1,967
Insurance and bonds	60,500	-	60,500	50,279
Supplies	25,000	(5,000)	20,000	22,268
Repairs-building and grounds	40,000	18,000	58,000	61,361
Equipment repairs and maintenance	45,000	(3,000)	42,000	51,651
Gas and oil	33,000	-	33,000	41,423
Utility/telephone	15,500	(500)	15,000	14,924
Dues and subscriptions	300	7,700	8,000	7,853
Transportation and contingency	31,500	(1,500)	30,000	30,201
Postage and miscellaneous	43,500	(19,300)	24,200	27,321
	2,069,600	(15,050)	2,054,550	2,059,888
Capital expenditures	100,000	-	100,000	96,278
Total Police	2,169,600	(15,050)	2,154,550	2,156,166

<b>Variance With Final Budget Positive (Negative)</b>	<b>2016 Actual</b>
(2,362)	151,333
2,754	33,969
(64)	10,638
2,470	17,268
760	18,537
2,430	27,897
-	-
(11,330)	36,330
-	0
(7,869)	66,801
(2,009)	5,002
(1,988)	11,156
349	2,381
(1,039)	13,198
144	22,528
674	3,044
(17,080)	420,082
24,867	18,800
7,787	438,882
25,708	1,172,221
2,754	33,969
618	93,928
(17,294)	187,211
(2,226)	187,721
1,683	6,279
10,221	56,759
(2,268)	23,047
(3,361)	10,626
(9,651)	42,282
(8,423)	31,261
76	14,974
147	155
(201)	29,879
(3,121)	21,812
(5,338)	1,912,124
3,722	135,723
(1,616)	2,047,847

**CITY OF LIVINGSTON, TEXAS  
GENERAL FUND  
SCHEDULE OF EXPENDITURES-BUDGET (GAAP BASIS) AND ACTUAL  
FOR THE YEAR ENDED SEPTEMBER 30, 2017  
WITH COMPARATIVE ACTUAL TOTALS FOR 2016**

	Budgeted Amounts GAAP Basis			
	Original	Revisions	Final	Actual
PAVING AND STREET DEPARTMENT				
Salaries	261,500	-	261,500	262,331
Salaries, administration	36,000	(1,000)	35,000	32,246
Social Security	22,800	-	22,800	22,514
Retirement	42,000	-	42,000	44,485
Employee insurance	57,260	-	57,260	54,403
Uniforms	5,200	-	5,200	6,643
Insurance and bonds	28,050	(50)	28,000	27,740
Supplies	22,000	11,000	33,000	41,158
Repairs-building and grounds	10,500	500	11,000	12,149
Equipment repairs and maintenance	50,000	(3,000)	47,000	58,392
Gas and oil	22,000	(4,000)	18,000	22,311
Transit system	4,200	-	4,200	4,200
Transportation and contingency	<u>10,100</u>	<u>(3,300)</u>	<u>6,800</u>	<u>3,200</u>
	571,610	150	571,760	591,772
Capital expenditures	<u>660,000</u>	<u>(110,000)</u>	<u>550,000</u>	<u>491,382</u>
Total Paving and Street	<u>1,231,610</u>	<u>(109,850)</u>	<u>1,121,760</u>	<u>1,083,154</u>
PARKS AND RECREATION DEPARTMENT				
Salaries	419,500	(7,000)	412,500	414,936
Salaries, administration	72,000	(2,000)	70,000	64,492
Social Security	37,750	-	37,750	36,548
Retirement	59,325	(3,000)	56,325	60,721
Employee insurance	85,900	-	85,900	82,344
Uniforms	5,700	-	5,700	6,531
Insurance and bonds	18,205	(705)	17,500	22,898
Advertising, hotel tax	75,000	(5,000)	70,000	54,767
Supplies	62,500	(18,500)	44,000	60,716
Repairs-building and grounds	31,000	(9,700)	21,300	23,187
Equipment repairs and maintenance	26,200	3,900	30,100	35,149
Gas and oil	34,100	(200)	33,900	48,298
Utility/telephone	17,850	(4,300)	13,550	13,559
Dues and subscriptions	350	(150)	200	140
Transportation and contingency	3,100	-	3,100	2,791
Programming costs	1,000	1,000	2,000	1,734
Postage and miscellaneous	<u>2,850</u>	<u>100</u>	<u>2,950</u>	<u>3,002</u>
	952,330	(45,555)	906,775	931,813
Capital expenditures	<u>185,000</u>	<u>(30,000)</u>	<u>155,000</u>	<u>114,090</u>
Total Parks and Recreation	<u>1,137,330</u>	<u>(75,555)</u>	<u>1,061,775</u>	<u>1,045,903</u>

<b>Variance With Final Budget Positive (Negative)</b>	<b>2016 Actual</b>
(831)	248,069
2,754	33,969
286	21,568
(2,485)	39,642
2,857	49,747
(1,443)	4,616
260	26,468
(8,158)	14,456
(1,149)	10,844
(11,392)	59,492
(4,311)	16,789
-	4,200
<u>3,600</u>	<u>3,585</u>
(20,012)	533,445
<u>58,618</u>	<u>639,328</u>
<u>38,606</u>	<u>1,172,773</u>
(2,436)	383,146
5,508	67,938
1,202	34,405
(4,396)	53,768
3,556	68,729
(831)	4,687
(5,398)	16,498
15,233	66,931
(16,716)	66,239
(1,887)	32,296
(5,049)	34,969
(14,398)	32,294
(9)	16,436
60	230
309	3,137
266	568
<u>(52)</u>	<u>2,741</u>
(25,038)	885,012
<u>40,910</u>	<u>181,909</u>
<u>15,872</u>	<u>1,066,921</u>

**CITY OF LIVINGSTON, TEXAS  
GENERAL FUND  
SCHEDULE OF EXPENDITURES-BUDGET (GAAP BASIS) AND ACTUAL  
FOR THE YEAR ENDED SEPTEMBER 30, 2017  
WITH COMPARATIVE ACTUAL TOTALS FOR 2016**

	<b>Budgeted Amounts GAAP Basis</b>			<b>Actual</b>
	<b>Original</b>	<b>Revisions</b>	<b>Final</b>	
<b>LIBRARY DEPARTMENT</b>				
Salaries	193,500	(13,500)	180,000	179,459
Salaries, administration	36,000	(1,000)	35,000	32,246
Social Security	17,600	-	17,600	16,132
Retirement	29,175	(175)	29,000	30,416
Employee insurance	42,950	-	42,950	42,947
Insurance and bonds	5,665	35	5,700	5,987
Supplies	15,000	-	15,000	18,162
Repairs-building and grounds	18,000	-	18,000	18,041
Equipment repairs and maintenance	8,500	-	8,500	9,825
Utility/telephone	9,500	(2,000)	7,500	6,750
Dues and subscriptions	3,800	200	4,000	4,069
Transportation and contingency	2,000	-	2,000	1,004
Postage and printing	<u>6,650</u>	<u>2,250</u>	<u>8,900</u>	<u>5,659</u>
	388,340	(14,190)	374,150	370,697
Memorial capital	5,000	-	5,000	11,956
Capital expenditures	<u>21,000</u>	<u>(6,000)</u>	<u>15,000</u>	<u>23,214</u>
Total Library	<u>414,340</u>	<u>(20,190)</u>	<u>394,150</u>	<u>405,867</u>
<b>GARAGE DEPARTMENT</b>				
Salaries	105,500	4,500	110,000	110,338
Salaries, administration	36,000	(1,000)	35,000	32,246
Social Security	10,900	-	10,900	10,844
Retirement	17,150	-	17,150	18,667
Employee insurance	17,175	-	17,175	17,182
Uniforms	1,400	-	1,400	1,855
Insurance and bonds	8,250	(50)	8,200	8,013
Supplies	6,000	-	6,000	6,779
Repairs-building and grounds	1,000	-	1,000	1,149
Equipment repairs and maintenance	5,500	(1,000)	4,500	5,526
Gas and oil	990	(90)	900	1,029
Utility/telephone	<u>5,125</u>	<u>25</u>	<u>5,150</u>	<u>5,695</u>
	214,990	2,385	217,375	219,323
Capital expenditures	<u>135,000</u>	<u>(35,000)</u>	<u>100,000</u>	<u>14,829</u>
Total Garage	<u>349,990</u>	<u>(32,615)</u>	<u>317,375</u>	<u>234,152</u>
<b>TOTAL GENERAL EXPENDITURES</b>	<u><b>\$ 7,188,110</b></u>	<u><b>\$ (303,570)</b></u>	<u><b>\$ 6,884,540</b></u>	<u><b>\$ 6,730,036</b></u>

<b>Variance With Final Budget Positive (Negative)</b>	<b>2016 Actual</b>
541	183,062
2,754	33,969
1,468	16,552
(1,416)	27,861
3	41,239
(287)	5,148
(3,162)	15,746
(41)	15,573
(1,325)	8,548
750	7,027
(69)	3,791
996	1,805
<u>3,241</u>	<u>5,237</u>
3,453	365,558
(6,956)	25,989
<u>(8,214)</u>	<u>3,908</u>
<u>(11,717)</u>	<u>395,455</u>
(338)	102,051
2,754	33,969
56	10,354
(1,517)	16,477
(7)	16,490
(455)	1,356
187	7,020
(779)	6,129
(149)	393
(1,026)	4,691
(129)	816
<u>(545)</u>	<u>5,113</u>
(1,948)	204,859
<u>85,171</u>	<u>46,046</u>
<u>83,223</u>	<u>250,905</u>
<u>\$ 154,504</u>	<u>\$ 6,659,014</u>



**DEBT SERVICE FUND**

**CITY OF LIVINGSTON, TEXAS  
DEBT SERVICE FUND - COMPARATIVE BALANCE SHEET  
SEPTEMBER 30, 2017 AND 2016**

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**ASSETS**

	<b><u>2017</u></b>	<b><u>2016</u></b>
Cash	\$ 14,443	\$ 13,362
Total Assets	<u>\$ 14,443</u>	<u>\$ 13,362</u>

**FUND BALANCES**

Restricted for debt service	\$ 14,443	\$ 13,362
Total Fund Balance	<u>\$ 14,443</u>	<u>\$ 13,362</u>

**CITY OF LIVINGSTON, TEXAS  
DEBT SERVICE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED SEPTEMBER 30, 2017  
WITH COMPARATIVE ACTUAL TOTALS FOR 2016**

	<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	1,070,000	-	1,070,000
Interest	225,050	-	225,050
Total Expenditures	1,295,050	-	1,295,050
Excess (deficiency) of revenues over expenditures	(1,295,050)	-	(1,295,050)
<b><u>OTHER FINANCING SOURCES (USES)</u></b>			
Transfers in	1,147,114	501	1,147,615
Total other financing sources	1,147,114	501	1,147,615
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	\$ (147,936)	\$ 501	\$ (147,435)
Fund balances at beginning of year			
Fund balance at end of year			

<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>	<b>2016</b>
\$ 1,038	\$ 1,038	\$ 1,067
<u>1,038</u>	<u>1,038</u>	<u>1,067</u>
1,070,000	-	1,040,000
225,050	-	252,050
<u>1,295,050</u>	<u>-</u>	<u>1,292,050</u>
(1,294,012)	1,038	(1,290,983)
1,295,093	(147,478)	1,297,822
<u>1,295,093</u>	<u>147,478</u>	<u>1,297,822</u>
1,081	\$ 148,516	6,839
<u>13,362</u>		<u>6,523</u>
\$ 14,443		\$ 13,362

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## **PROPRIETARY FUND**

**CITY OF LIVINGSTON, TEXAS**  
**COMPARATIVE STATEMENT OF NET POSITION**  
**ELECTRIC, WATER AND SEWER FUND**  
**SEPTEMBER 30, 2017 AND 2016**

<b>ASSETS</b>	<b>2017</b>	<b>2016</b>
Current assets:		
Cash	\$ 15,988,638	\$ 11,788,016
Certificates of deposit	1,500,000	1,500,000
Restricted assets		
Cash in bank, water and sewer system improvements	61,954	61,800
Cash in bank, reserve fund	410,299	62,085
Receivables:		
Returned checks receivable	31,656	31,469
Utility accounts receivable	<u>1,757,508</u>	<u>1,754,527</u>
Total current assets	<u>19,750,055</u>	<u>15,197,897</u>
Noncurrent assets:		
Capital assets:		
Land	694,222	694,222
Building and improvements	507,925	507,925
Equipment and fixtures	2,576,132	2,407,496
Electrical system	5,946,207	5,762,705
Water system	12,472,839	11,913,215
Sewer system	9,853,842	9,674,895
Water service contract rights	<u>20,645,000</u>	<u>21,280,000</u>
	52,696,167	52,240,458
Less accumulated depreciation	<u>(10,137,572)</u>	<u>(9,609,815)</u>
Net capital assets	<u>42,558,595</u>	<u>42,630,643</u>
Total assets	<u>62,308,650</u>	<u>57,828,540</u>
Deferred outflows of resources:		
Amounts related to pensions		
Contributions after December 31, 2015 and 2014	165,221	159,866
Difference in expected and actual experience	-	374,685
Difference in actual experience and assumptions	<u>286,697</u>	<u>-</u>
Total Deferred Outflows of Resources	<u>451,918</u>	<u>534,551</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 62,760,568</u>	<u>\$ 58,363,091</u>

**CITY OF LIVINGSTON, TEXAS**  
**COMPARATIVE STATEMENT OF NET POSITION**  
**ELECTRIC, WATER AND SEWER FUND**  
**SEPTEMBER 30, 2017 AND 2016**

	<b>2017</b>	<b>2016</b>
<b>LIABILITIES</b>		
Current liabilities:		
Accounts payable	\$ 1,165,173	\$ 1,042,163
Meter deposits	556,312	530,798
Contracts payable-Trinity River Authority	655,000	635,000
Total current liabilities	<u>2,376,485</u>	<u>2,207,961</u>
Noncurrent liabilities:		
Net pension liability	1,402,147	1,385,570
Contracts payable-Trinity River Authority	19,990,000	20,645,000
Total noncurrent liabilities	<u>21,392,147</u>	<u>22,030,570</u>
Total liabilities	<u>23,768,632</u>	<u>24,238,531</u>
Deferred inflows of resources:		
Amounts related to pensions		
Restricted for:		
Difference in actual experience and assumptions	-	40,390
Difference in expected and actual experience	9,328	-
Total Deferred Inflows of Resources	<u>9,328</u>	<u>40,390</u>
Total Liabilities and Deferred Inflows of Resources	<u>23,777,960</u>	<u>24,278,921</u>
<b>NET POSITION</b>		
Net investment in capital assets	21,913,595	21,350,643
Restricted for water and sewer system improvements	61,954	61,800
Restricted for Trinity River Authority contracts payable	410,299	62,085
Unrestricted	<u>16,596,760</u>	<u>12,609,642</u>
Total Net Position	<u>\$ 38,982,608</u>	<u>\$ 34,084,170</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, 2017 AND 2016**

**Business-Type Activities - Enterprise Fund**

	<b><u>2017</u></b>	<b><u>2016</u></b>
<b><u>Operating revenues:</u></b>		
Charges for sales and services:		
Electricity sales	\$ 9,415,098	\$ 9,570,318
Water sales	2,952,972	2,893,123
Sewer service charges	2,113,746	2,075,270
Penalties, utilities	151,148	143,863
Water tapping fees	22,887	13,385
Sewer tapping fees	4,550	5,300
Recoveries, electrical	5,277,748	7,795,569
Recoveries, water	391,718	41,044
Revenue, night lights	99,220	97,096
Service fees	55,416	56,621
Total Operating Revenues	<u>20,484,503</u>	<u>22,691,589</u>
<b><u>Operating expenses:</u></b>		
Light and Power Department	9,693,978	9,779,458
Water Department	3,890,075	3,724,304
Sewer Department	660,354	709,883
Depreciation	527,757	507,967
Total Operating Expenses	<u>14,772,164</u>	<u>14,721,612</u>
Operating Income	5,712,339	7,969,977
<b><u>Non-operating revenues:</u></b>		
Interest income	<u>8,655</u>	<u>8,185</u>
Income Before Transfers	5,720,994	7,978,162
Transfers In	-	495,845
Transfers Out	<u>(822,556)</u>	<u>(3,159,431)</u>
Change in net position	4,898,438	5,314,576
Total net position - beginning	<u>34,084,170</u>	<u>28,769,594</u>
Total net position - ending	<u>\$ 38,982,608</u>	<u>\$ 34,084,170</u>

**CITY OF LIVINGSTON, TEXAS  
COMPARATIVE STATEMENT OF CASH FLOWS  
ELECTRIC, WATER, AND SEWER FUND  
FOR THE YEARS ENDED SEPTEMBER 30, 2017 AND 2016**

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**Business-Type Activities - Enterprise Fund**

	<b><u>2017</u></b>	<b><u>2016</u></b>
Cash flows from operating activities:		
Cash received from customers	\$ 20,481,335	\$ 22,619,537
Cash payments to suppliers for goods and services	(12,586,612)	(12,681,065)
Cash payments to employees for services	<u>(1,441,120)</u>	<u>(1,422,719)</u>
Net cash provided by operating activities	<u>6,453,603</u>	<u>8,515,753</u>
Cash flows from noncapital financing activities:		
Transfers from other funds	-	495,845
Transfers to other funds	<u>(822,556)</u>	<u>(3,159,431)</u>
Net cash used for noncapital financing activities	<u>(822,556)</u>	<u>(2,663,586)</u>
Cash flows from capital and related financing activities:		
Acquisition of capital assets	<u>(1,090,712)</u>	<u>(967,998)</u>
Net cash used for capital and related financing activities	<u>(1,090,712)</u>	<u>(967,998)</u>
Cash flows from investing activities:		
Interest on cash and investments	<u>8,655</u>	<u>8,185</u>
Net cash provided by investing activities	<u>8,655</u>	<u>8,185</u>
Net Change in Cash and Cash Equivalents	4,548,990	4,892,354
Cash and Cash Equivalents at Beginning of Year	<u>11,911,901</u>	<u>7,019,547</u>
Cash and Cash Equivalents at End of Year	<u>\$ 16,460,891</u>	<u>\$ 11,911,901</u>

(Continued)

**CITY OF LIVINGSTON, TEXAS  
COMPARATIVE STATEMENT OF CASH FLOWS  
ELECTRIC, WATER, AND SEWER FUND  
FOR THE YEARS ENDED SEPTEMBER 30, 2017 AND 2016**

---

**Business-Type Activities - Enterprise Fund**

	<b><u>2017</u></b>	<b><u>2016</u></b>
Reconciliation of income from operations to net cash provided by operating activities:		
Income from operations	\$ 5,712,339	\$ 7,969,977
Adjustments to reconcile operating net income to net cash provided by operating activities:		
Depreciation	527,757	507,967
Change in operating assets and liabilities:		
Returned checks receivable	(187)	(840)
Utility accounts receivable	(2,981)	(71,212)
Deferred outflows	82,633	(275,330)
Accounts payable	123,013	(26,611)
Meter deposits	25,514	9,290
Net pension liability	16,577	362,122
Deferred inflows	<u>(31,062)</u>	<u>40,390</u>
Total adjustments	<u>741,264</u>	<u>545,776</u>
Net cash provided by operating activities	<u>\$ 6,453,603</u>	<u>\$ 8,515,753</u>
Reconciliation of total cash and cash investments		
Unrestricted	\$ 15,988,638	\$ 11,788,016
Restricted		
Cash in bank, water and sewer system improvements	61,954	61,800
Cash in bank, reserve fund	<u>410,299</u>	<u>62,085</u>
Total cash and cash equivalents	<u>\$ 16,460,891</u>	<u>\$ 11,911,901</u>

(Concluded)

## **ENTERPRISE FUND**

**CITY OF LIVINGSTON, TEXAS**  
**ENTERPRISE FUND**  
**SCHEDULE OF EXPENSES BY DEPARTMENT - COMPARED TO BUDGET**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2017**  
**WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED SEPTEMBER 30, 2016**

	<b>2017</b>			
	<b>Original Budget</b>	<b>Revisions</b>	<b>Final</b>	<b>Actual</b>
<b>LIGHT AND POWER DEPARTMENT</b>				
Salaries	\$ 670,000	\$ (2,000)	\$ 668,000	\$ 661,341
Salaries, administration	36,000	(1,000)	35,000	32,246
Social Security	54,050	-	54,050	52,996
Retirement	108,500	-	108,500	145,380
Employee insurance	94,475	-	94,475	94,548
Uniform rental	6,000	-	6,000	6,478
Insurance and bonds	19,250	-	19,250	18,976
Legal and professional	2,000	-	2,000	3,689
Engineering	1,000	-	1,000	-
Supplies	40,000	-	40,000	29,254
Repairs-building and grounds and equipment	40,000	2,000	42,000	43,905
Gas and oil	13,200	(1,200)	12,000	12,726
Utility/telephone	7,500	-	7,500	7,666
Dues and subscriptions	7,500	-	7,500	7,852
Power purchase	8,875,000	(125,000)	8,750,000	8,533,560
Transportation and contingency	8,000	-	8,000	3,750
Utility billing	12,500	-	12,500	11,712
Postage and miscellaneous	16,000	-	16,000	14,632
Auditing and accounting	12,500	1,000	13,500	13,267
Total Light and Power	<u>10,023,475</u>	<u>(126,200)</u>	<u>9,897,275</u>	<u>9,693,978</u>
<b>WATER DEPARTMENT</b>				
Salaries	455,500	-	455,500	454,346
Salaries - administration	36,000	(1,000)	35,000	32,240
Social Security	37,650	-	37,650	37,245
Retirement	74,000	-	74,000	103,130
Employee insurance	87,325	-	87,325	87,463
Uniform rental	5,500	-	5,500	5,965
Insurance and bonds	19,250	-	19,250	18,934
Legal and professional	5,000	-	5,000	12,546
Supplies	45,500	(3,000)	42,500	45,524
Repairs-building and grounds	10,000	(3,500)	6,500	6,279
Repairs-equipment	50,000	29,000	79,000	108,472
Gas and oil	36,300	(8,300)	28,000	35,929
Engineering	7,500	2,500	10,000	16,179
Dues and subscriptions	10,000	2,000	12,000	11,409
Water-TRA	58,400	-	58,400	58,400
Operations and maintenance-TRA	1,250,000	-	1,250,000	1,200,006
Transportation and contingency	37,000	(2,000)	35,000	34,863
Utility billing	12,500	(500)	12,000	11,712
Postage and printing	15,250	(1,050)	14,200	14,736
TRA-debt service	1,576,000	-	1,576,000	1,581,430
Auditing and accounting	12,500	1,000	13,500	13,267
Total Water	<u>3,841,175</u>	<u>15,150</u>	<u>3,856,325</u>	<u>3,890,075</u>

<b>Variance</b>	<b>2016 Actual</b>
\$ 6,659	\$ 639,876
2,754	33,969
1,054	51,498
(36,880)	164,764
(73)	90,688
(478)	4,828
274	17,141
(1,689)	1,432
1,000	-
10,746	35,598
(1,905)	31,880
(726)	9,591
(166)	7,052
(352)	7,596
216,440	8,640,582
4,250	4,533
788	11,601
1,368	13,378
233	13,451
<u>203,297</u>	<u>9,779,458</u>

1,154	436,373
2,760	33,969
405	36,451
(29,130)	112,299
(138)	83,474
(465)	5,160
316	17,165
(7,546)	2,827
(3,024)	42,265
221	5,043
(29,472)	57,347
(7,929)	26,746
(6,179)	5,317
591	9,596
-	58,400
49,994	1,144,126
137	29,164
288	11,601
(536)	13,225
(5,430)	1,580,306
233	13,450
<u>(33,750)</u>	<u>3,724,304</u>

**CITY OF LIVINGSTON, TEXAS**  
**ENTERPRISE FUND**  
**SCHEDULE OF EXPENSES BY DEPARTMENT - COMPARED TO BUDGET**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2017**  
**WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED SEPTEMBER 30, 2016**

	<b>2017</b>			
	<u><b>Original Budget</b></u>	<u><b>Revisions</b></u>	<u><b>Final</b></u>	<u><b>Actual</b></u>
SEWER DEPARTMENT				
Salaries	260,000	(33,000)	227,000	228,701
Salaries, administration	36,000	(1,000)	35,000	32,246
Social Security	22,700	-	22,700	20,234
Retirement	39,150	(150)	39,000	49,953
Employee insurance	37,800	-	37,800	37,879
Uniform rental	2,900	-	2,900	4,151
Insurance and bonds	6,105	(5)	6,100	6,401
Lab fees-engineering	15,000	5,000	20,000	22,955
Supplies	45,000	-	45,000	49,734
Chemicals	27,500	-	27,500	20,318
Legal/professional	1,000	-	1,000	695
Repairs-equipment	65,000	(5,000)	60,000	72,497
Repairs-building and grounds	5,000	-	5,000	5,398
Gas and oil	7,700	(1,700)	6,000	7,384
Dues and subscriptions	10,000	-	10,000	9,933
Transportation and contingency	62,000	(3,500)	58,500	57,849
Utilities and telephone	26,500	-	26,500	34,026
Total Sewer	<u>669,355</u>	<u>(39,355)</u>	<u>630,000</u>	<u>660,354</u>
TOTAL ENTERPRISE FUND				
DEPARTMENT EXPENDITURES	<u>\$ 14,534,005</u>	<u>\$ (150,405)</u>	<u>\$14,383,600</u>	<u>\$ 14,244,407</u>

<u>Variance</u>	<u>2016 Actual</u>
(1,701)	244,563
2,754	33,969
2,466	21,501
(10,953)	61,820
(79)	37,534
(1,251)	2,307
(301)	5,523
(2,955)	23,600
(4,734)	44,617
7,182	23,065
305	9,671
(12,497)	92,355
(398)	8,119
(1,384)	5,496
67	9,708
651	58,657
(7,526)	27,378
<u>(30,354)</u>	<u>709,883</u>
 <u>\$ 139,193</u>	 <u>\$ 14,213,645</u>



## **STATISTICAL SECTION**

## **FINANCIAL TRENDS**

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

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

	<b>Fiscal Year</b>		
	<b>2008</b>	<b>2009</b>	<b>2010</b>
Governmental activities			
Net investment in capital assets	\$ 3,625,188	\$ 3,805,846	\$ 3,816,433
Restricted	56,185	58,323	60,119
Unrestricted	<u>847,279</u>	<u>1,403,689</u>	<u>1,018,128</u>
Total governmental activities net position	<u>\$ 4,528,652</u>	<u>\$ 5,267,858</u>	<u>\$ 4,894,680</u>
Business-type activities			
Net investment in capital assets	\$13,795,660	\$ 14,299,578	\$ 15,112,038
Restricted	122,980	120,096	125,923
Unrestricted	<u>1,858,986</u>	<u>2,010,951</u>	<u>2,680,995</u>
Total business-type activities net position	<u>\$15,777,626</u>	<u>\$ 16,430,625</u>	<u>\$ 17,918,956</u>
Primary government			
Net investment in capital assets	\$17,420,848	\$ 18,105,424	\$ 18,928,471
Restricted	179,165	178,419	186,042
Unrestricted	<u>2,706,265</u>	<u>3,414,640</u>	<u>3,699,123</u>
Total primary government net position	<u>\$20,306,278</u>	<u>\$ 21,698,483</u>	<u>\$ 22,813,636</u>

TABLE A-1

Fiscal Year						
2011	2012	2013	2014	2015	2016	2017
\$ 4,351,471	\$ 4,791,257	\$ 4,315,590	\$ 2,964,659	\$ 4,437,694	\$ 4,740,690	\$ 5,464,673
62,171	11,028	11,906	12,825	6,523	13,362	14,443
513,969	358,850	662,242	1,270,906	(217,812)	618,282	(534,353)
<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>	<u>\$ 5,372,334</u>
\$ 16,034,964	\$ 17,445,479	\$ 18,761,672	\$ 20,254,016	\$ 20,890,615	\$ 21,350,643	\$ 21,913,595
463,375	103,495	103,626	111,356	117,270	123,885	472,253
3,142,246	2,921,239	5,978,877	6,620,642	7,761,709	12,609,642	16,596,760
<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>	<u>\$ 34,084,170</u>
\$ 20,386,435	\$ 22,236,736	\$ 23,077,262	\$ 23,218,675	\$ 25,328,309	\$ 26,091,333	\$ 27,378,268
525,546	114,523	115,532	124,181	123,793	137,247	486,696
3,656,215	3,280,089	6,641,119	7,891,548	7,543,897	13,227,924	16,062,407
<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>	<u>\$ 43,927,371</u>

TABLE A-2

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

	Fiscal Year					
	2008	2009	2010	2011	2012	2013
<b>Expenses</b>						
Governmental activities:						
Administrative	\$ 543,102	\$ 625,366	\$ 550,726	\$ 560,705	\$ 578,438	\$ 609,174
Sanitation	614,965	607,137	597,196	611,463	631,433	653,663
Fire	403,472	413,973	406,508	440,931	396,728	404,025
Police	1,454,820	1,530,106	1,618,530	1,701,952	1,846,576	1,852,215
Paving and street	1,003,610	935,608	950,467	968,401	962,427	969,670
Parks and recreation	927,799	847,600	893,254	917,386	973,354	991,098
Library	283,433	284,255	312,390	310,674	332,359	354,693
Garage	177,194	186,795	180,496	183,928	190,832	203,343
Interest on long-term debt	350,383	316,960	292,638	267,220	246,345	366,800
Total governmental activities expense	5,758,778	5,747,800	5,802,205	5,962,660	6,158,492	6,404,681
Business-type activities:						
Electric, water and sewer	10,490,362	12,007,478	12,362,086	12,851,514	12,521,334	12,167,699
Total business-type activities expenses	10,490,362	12,007,478	12,362,086	12,851,514	12,521,334	12,167,699
Total primary government expenses	16,249,140	17,755,278	18,164,291	18,814,174	18,679,826	18,572,380
<b>Program Revenues</b>						
Governmental activities:						
Charges for services						
Administrative	158,653	368,308	247,380	98,784	193,065	98,300
Sanitation	837,658	846,740	846,516	933,025	947,880	1,027,614
Police	222,411	222,025	228,426	251,926	280,759	273,321
Paving and street	1,921	892	10,197	20,749	51,802	2,103
Parks and recreation	291,150	298,880	226,859	234,341	199,677	203,685
Library	23,652	19,386	18,171	17,309	15,406	17,835
Operating grants and contributions	130,974	653,212	A. 94,055	110,094	130,478	128,227
Capital grants and contributions	-	471,764	A. 247,392	B. 171,317	3,491	-
Total governmental activities program revenues	1,666,419	2,881,207	1,918,996	1,837,545	1,822,558	1,751,085
Business-type activities:						
Charges for services						
Electric, water and sewer	11,929,258	12,369,934	13,968,911	15,144,524	14,253,547	16,851,001
Total business-type activities program revenues	11,929,258	12,369,934	13,968,911	15,144,524	14,253,547	16,851,001
Total primary government program revenues	13,595,677	15,251,141	15,887,907	16,982,069	16,076,105	18,602,086
Net (Expense) Revenues						
Governmental activities	(4,092,359)	(2,866,593)	(3,883,209)	(4,125,115)	(4,335,934)	(4,653,596)
Business-type activities	1,438,896	362,456	1,606,825	2,293,010	1,732,213	4,683,302
Total primary government program net expense	(2,653,463)	(2,504,137)	(2,276,384)	(1,832,105)	(2,603,721)	29,706
<b>General Revenues and Other Changes in Net Position</b>						
Governmental activities:						
Taxes						
Sales taxes	3,232,037	3,392,552	3,012,227	3,185,997	3,275,321	3,730,723
Franchise taxes	166,598	172,631	143,586	162,759	146,319	151,625
Hotel/Motel taxes	261,357	291,096	210,076	219,019	222,936	270,564
Investment earnings	54,954	12,753	7,153	4,803	10,801	7,743
Miscellaneous	90,514	-	-	-	-	-
Transfers	487,243	(263,233)	136,989	585,468	914,081	321,544
Total governmental activities	4,292,703	3,605,799	3,510,031	4,158,046	4,569,458	4,482,199
Business-type activities:						
Investment earnings	72,933	27,310	18,495	14,087	11,496	12,204
Transfers	(487,243)	263,233	(136,989)	(585,468)	(914,081)	(321,544)
Total business-type activities	(414,310)	290,543	(118,494)	(571,381)	(902,585)	(309,340)
Total primary government	3,878,393	3,896,342	3,391,537	3,586,665	3,666,873	4,172,859
<b>Changes in Net Position</b>						
Governmental activities	200,344	739,206	(373,178)	32,931	233,524	(171,397)
Business-type activities	1,024,586	652,999	1,488,331	1,721,629	829,628	4,373,962
Total primary government	\$ 1,224,930	\$ 1,392,205	\$ 1,115,153	\$ 1,754,560	\$ 1,063,152	\$ 4,202,565

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

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

TABLE A-2

2014	2015	2016	2017
\$ 628,524	\$ 629,168	\$ 697,407	\$ 649,067
705,207	701,377	701,452	740,246
429,642	431,539	473,390	480,753
1,912,194	1,992,910	2,171,640	2,259,591
993,905	1,082,684	1,356,218	1,238,574
947,878	1,060,084	1,061,374	1,101,262
448,499	476,226	515,985	511,324
218,840	217,587	234,349	240,257
325,625	278,500	252,050	225,050
<u>6,610,314</u>	<u>6,870,075</u>	<u>7,463,865</u>	<u>7,446,124</u>
<u>14,519,484</u>	<u>14,628,936</u>	<u>14,721,612</u>	<u>14,772,164</u>
<u>14,519,484</u>	<u>14,628,936</u>	<u>14,721,612</u>	<u>14,772,164</u>
<u>21,129,798</u>	<u>21,499,011</u>	<u>22,185,477</u>	<u>22,218,288</u>
101,595	92,722	91,839	142,640
1,038,218	1,041,025	1,102,931	1,215,053
275,621	294,900	315,638	347,779
11,485	4,156	2,219	-
192,800	331,809	186,002	191,187
23,829	32,866	18,130	19,163
60,484	86,898	142,999	69,403
-	219,600	52,350	3,050
<u>1,704,032</u>	<u>2,103,976</u>	<u>1,912,108</u>	<u>1,988,275</u>
<u>17,055,406</u>	<u>19,551,817</u>	<u>22,691,589</u>	<u>20,484,503</u>
<u>17,055,406</u>	<u>19,551,817</u>	<u>22,691,589</u>	<u>20,484,503</u>
<u>18,759,438</u>	<u>21,655,793</u>	<u>24,603,697</u>	<u>22,472,778</u>
(4,906,282)	(4,766,099)	(5,551,757)	(5,457,849)
2,535,922	4,922,881	7,969,977	5,712,339
<u>(2,370,360)</u>	<u>156,782</u>	<u>2,418,220</u>	<u>254,490</u>
3,431,399	3,488,475	3,597,499	3,759,664
135,253	142,040	136,844	128,601
318,487	297,152	296,831	316,075
3,918	3,389	2,926	3,382
-	-	-	-
<u>406,434</u>	<u>2,347,835</u>	<u>2,663,586</u>	<u>822,556</u>
<u>4,295,491</u>	<u>6,278,891</u>	<u>6,697,686</u>	<u>5,030,278</u>
12,351	8,930	8,185	8,655
<u>(406,434)</u>	<u>(2,347,835)</u>	<u>(2,663,586)</u>	<u>(822,556)</u>
<u>(394,083)</u>	<u>(2,338,905)</u>	<u>(2,655,401)</u>	<u>(813,901)</u>
<u>3,901,408</u>	<u>3,939,986</u>	<u>4,042,285</u>	<u>4,216,377</u>
(610,791)	1,512,792	1,145,929	(427,571)
2,141,839	2,583,976	5,314,576	4,898,438
<u>\$ 1,531,048</u>	<u>\$ 4,096,768</u>	<u>\$ 5,460,505</u>	<u>\$ 4,470,867</u>

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

	Fiscal Year			
	2008	2009	2010	2011
General Fund				
Restricted	\$ 78,525	\$ 64,705	\$ 49,852	\$ 29,094
Unassigned	<u>768,754</u>	<u>1,096,703</u>	<u>863,051</u>	<u>395,568</u>
Total General Fund	<u>\$ 847,279</u>	<u>\$ 1,161,408</u>	<u>\$ 912,903</u>	<u>\$ 424,662</u>
All Other Governmental Funds				
Restricted				
Debt Service Fund	\$ 56,185	\$ 58,323	\$ 60,119	\$ 62,171
Capital Projects Fund	<u>1,136,493</u>	<u>650,228</u>	<u>218,502</u>	<u>93,702</u>
Total all other governmental funds	<u>\$ 1,192,678</u>	<u>\$ 708,551</u>	<u>\$ 278,621</u>	<u>\$ 155,873</u>

A. Bond proceeds for library improvements and water and sewer system improvements.

TABLE A-3

Fiscal Year					
2012	2013	2014	2015	2016	2017
\$ 14,224 190,139	\$ 214 857,542	\$ 296 1,270,609	\$ 2,421 1,231,446	\$ 1,419 2,372,108	\$ 14,497 1,356,179
<u>\$ 204,363</u>	<u>\$ 857,756</u>	<u>\$ 1,270,905</u>	<u>\$ 1,233,867</u>	<u>\$ 2,373,527</u>	<u>\$ 1,370,676</u>
\$ 11,028 6,053,685 A.	\$ 11,906 3,363,060	\$ 12,825 833,076	\$ 6,523 507,620	\$ 13,362 -	\$ 14,443 -
<u>\$ 6,064,713</u>	<u>\$ 3,374,966</u>	<u>\$ 845,901</u>	<u>\$ 514,143</u>	<u>\$ 13,362</u>	<u>\$ 14,443</u>



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

	Fiscal Year			
	2008	2009	2010	2011
<b>Revenues</b>				
Taxes	\$ 3,659,992	\$ 3,856,279	\$ 3,365,889	\$ 3,567,775
Licenses and permits	158,653	330,493	221,005	69,898
Charges for service	1,063,339	1,069,232	1,064,615	1,185,540
Fines and forfeitures	206,059	210,193	217,430	235,733
Miscellaneous	383,885	1,271,421	439,046	369,023
Total Revenues	<u>5,471,928</u>	<u>6,737,618</u>	<u>5,307,985</u>	<u>5,427,969</u>
<b>Expenditures</b>				
Administrative	464,778	544,952	502,238	516,991
Sanitation	614,780	606,952	597,076	611,343
Fire	366,276	378,591	373,785	409,387
Police	1,356,402	1,436,239	1,524,372	1,600,314
Paving and street	344,420	388,011	428,013	453,560
Parks and recreation	744,706	667,173	715,406	752,668
Library	261,206	250,779	277,401	275,958
Garage	261,800	175,996	169,988	173,673
Capital outlay	512,315	1,158,730	497,732	773,312
Debt service				
Interest	350,383	316,960	292,398	267,220
Principal	690,000	720,000	745,000	790,000
Total Expenditures	<u>5,967,066</u>	<u>6,644,383</u>	<u>6,123,409</u>	<u>6,624,426</u>
Excess of revenues over (under) expenditures	(495,138)	93,235	(815,424)	(1,196,457)
<b>Other Financing Sources (Uses)</b>				
Proceeds from borrowing	-	-	-	-
Proceeds from refunding	-	-	-	-
Redemption of refunded bonds	-	-	-	-
Transfers in	1,560,371	1,236,959	1,606,128	1,767,478
Transfers out	(1,073,128)	(1,500,192)	(1,469,139)	(1,182,010)
Total other financing sources	<u>487,243</u>	<u>(263,233)</u>	<u>136,989</u>	<u>585,468</u>
Net change in fund balances	\$ <u>(7,895)</u>	\$ <u>(169,998)</u>	\$ <u>(678,435)</u>	\$ <u>(610,989)</u>
Debt service as a percentage of noncapital expenditures	19.1%	18.9%	18.4%	18.1%

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

TABLE A-4

Fiscal Year					
2012	2013	2014	2015	2016	2017
\$ 3,644,576	\$ 4,152,912	\$ 3,885,139	\$ 3,927,667	\$ 4,031,174	\$ 4,204,340
155,254	54,839	78,737	66,122	61,394	108,801
1,174,660	1,275,560	1,311,551	1,290,760	1,357,043	1,436,597
261,493	256,378	261,363	280,259	298,337	324,687
256,783	180,943	88,191	430,104	190,184	126,335
5,492,766	5,920,632	5,624,981	5,994,912	5,938,132	6,200,760
612,838	546,441	569,230	590,106	584,639	579,236
631,313	653,542	705,087	701,257	701,332	740,126
367,911	371,718	393,104	396,935	420,082	429,930
1,734,608	1,736,455	1,802,083	1,882,425	1,912,124	2,059,888
447,899	450,841	486,078	536,667	533,445	591,772
810,104	845,205	802,039	933,864	885,012	931,813
296,039	302,686	335,764	350,494	365,558	370,697
172,278	182,681	198,707	201,151	204,859	219,323
718,971	1,862,161	1,498,439	1,820,144	1,063,738	807,251
246,345	366,800	366,800	278,500	252,050	225,050
850,000	960,000	990,000	1,020,000	1,040,000	1,070,000
6,888,306	8,278,530	8,147,331	8,711,543	7,962,839	8,025,086
(1,395,540)	(2,357,898)	(2,522,350)	(2,716,631)	(2,024,707)	(1,824,326)
6,000,000 A	-	-	-	-	-
3,100,000 B	-	-	-	-	-
(2,930,000) B	-	-	-	-	-
2,160,929	2,874,484	3,276,767	3,638,885	4,457,253	2,117,649
(1,246,848)	(2,552,940)	(2,870,333)	(1,291,050)	(1,793,667)	(1,295,093)
7,084,081	321,544	406,434	2,347,835	2,663,586	822,556
\$ 5,688,541	\$ (2,036,354)	\$ (2,115,916)	\$ (368,796)	\$ 638,879	\$ (1,001,770)
17.8%	20.7%	20.4%	18.8%	18.7%	17.9%

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## **REVENUE CAPACITY**

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

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

<b>Tax Year</b>	<b>Real Property (1)</b>		<b>Personal (1)</b>
	<b>Assessed Value</b>	<b>Estimated Actual Value</b>	<b>Assessed Value</b>
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
2016	448,000,838	448,000,838	60,225,314

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

**TABLE B-1**

<b>Personal (1)</b>	<b>Total Property</b>		<b>Ratio of Total Assessed to Total Estimated Actual Value</b>	<b>Total Direct Rate Applied</b>
<b>Estimated Actual Value</b>	<b>Assessed Value</b>	<b>Estimated Actual Value</b>		
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%
60,225,314	508,226,152	508,226,152	100%	0%

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

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

<b>County Fiscal Year</b>	<b>City General Fund</b>	<b>School District</b>	<b>County</b>	<b>Total</b>
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
2016	.00	1.3900	0.6461	2.0361

<b>County Fiscal Year</b>	<b>City General Fund</b>	<b>School District</b>	<b>County</b>	<b>Total</b>
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
2016	-	21,532,466	20,362,629	41,895,095

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 2017 KILOWATT HOURS**

(*) Name	Kilowatt Hours	Rank	Percent of Total
Livingston Independent School Dist.	8,796,780	1	10.65%
Polk County	2,792,357	2	3.38%
Brookshire Brothers	2,266,297	3	2.74%
Lowe's Home Improvement	2,188,278	4	2.65%
HEB Grocery	1,909,453	5	2.31%
The Bradford	1,065,200	6	1.29%
McDonald's	909,226	7	1.10%
Pine Ridge Healthcare Center	857,898	8	1.04%
Factory Stores of America	857,832	9	1.04%
First State Bank	608,413	10	0.74%
First National Bank	-		0.00%
Livingston Telephone	22,251,734		26.93%

**TEN LARGEST ELECTRIC CUSTOMERS  
FISCAL 2008 KILOWATT HOURS**

Kilowatt Hours	Rank	Percent of Total
8,558,838	1	10.62%
1,815,114	4	2.25%
2,337,823	2	2.90%
2,130,258	3	2.64%
1,722,742	5	2.14%
-		0.00%
679,559	9	0.84%
846,696	7	1.05%
1,463,520	6	1.82%
690,731	8	0.86%
679,557	10	0.84%
20,924,838		25.95%

**TEN LARGEST WATER CUSTOMERS  
FISCAL 2017 GALLONS USED**

(*) Name	Gallons Used	Rank	Percent of Total
Texas Department of Criminal Just.	295,037,000	1	51.52%
IAH Detention Facility	27,979,000	2	4.89%
CHI St Luke's Health	13,301,000	3	2.32%
Livingston Independent School Dist.	9,983,000	4	1.74%
Polk County	7,237,000	5	1.26%
The Bradford	5,950,000	6	1.04%
Pine Hill Apartments	5,859,000	7	1.02%
Camp Cho Yeh	4,858,000	8	0.85%
Pine Ridge Healthcare Center	3,917,000	9	0.68%
La Quinta	1,595,000	10	0.28%
Walmart Super Center	-		0.00%
Lowe's Home Improvement	-		0.00%
Memorial Medical Center	-		0.00%
Super 8 (Econolodge)	-		0.00%
	375,716,000		65.60%

**TEN LARGEST WATER CUSTOMERS  
FISCAL 2008 GALLONS USED**

Gallons Used	Rank	Percent of Total
162,652,000	1	30.40%
-	-	0.00%
-	-	0.00%
11,724,000	3	2.19%
5,174,000	6	0.97%
-	-	0.00%
8,384,000	4	1.57%
5,447,000	5	1.02%
3,539,000	8	0.66%
-	-	0.00%
3,695,000	7	0.69%
2,420,000	10	0.45%
16,365,000	2	3.06%
2,687,000	9	0.50%
222,087,000		41.51%

(\*) 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>
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	-	-
2016-17	N/A	N/A	N/A	-	-

\* City discontinued levying property taxes in fiscal 1989.

TABLE B-4

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

TABLE B-5

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

	Fiscal Year			
	2007	2008	2009	2010
Mining	\$ 756,938	\$ 285,694	\$ 139,367	\$ -
Construction	11,376,991	8,329,709	2,566,018	5,362,638
Manufacturing	6,562,549	7,440,687	4,670,834	4,047,613
Transportation, communication, utility	63,730	152,921	293,334	285,717
Wholesale Trade	8,816,753	8,944,623	7,407,560	6,784,579
Retail Trade	128,368,896	137,752,269	136,583,087	132,247,339
Finance, insurance, real estate Services	1,690,872	1,741,041	1,666,834	1,120,298
	<u>29,680,044</u>	<u>34,724,520</u>	<u>34,823,277</u>	<u>34,106,509</u>
Total	<u>\$187,316,773</u>	<u>\$ 199,371,464</u>	<u>\$ 188,150,311</u>	<u>\$ 183,954,693</u>

Source: State Comptroller's Office

**TABLE B-5**

<b>Fiscal Year</b>					
<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,892
5,188,507	5,879,331	4,302,348	4,357,712	5,839,513	2,828,797
3,615,697	4,907,254	6,711,331	5,935,164	7,437,680	7,338,917
324,431	226,591	231,890	248,119	229,389	237,053
9,500,142	9,603,888	10,848,869	10,046,996	9,793,097	6,611,068
133,603,936	138,173,284	142,313,890	142,208,459	124,622,403	150,182,763
1,149,143	1,865,566	1,899,028	2,013,205	2,471,029	2,353,850
<u>34,841,742</u>	<u>36,840,033</u>	<u>38,727,778</u>	<u>39,477,491</u>	<u>43,277,048</u>	<u>45,521,468</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>	<u>\$ 215,079,808</u>

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

	<b>Fiscal Year</b>			
	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
Electrical revenues	\$ 8,918,291	\$ 9,387,165	\$ 10,362,512	\$ 11,196,010
Water revenues	1,765,155	1,749,976	2,326,923	2,279,605
Sewer revenues	<u>1,245,812</u>	<u>1,232,793</u>	<u>1,279,476</u>	<u>1,668,909</u>
Total	<u>\$ 11,929,258</u>	<u>\$ 12,369,934</u>	<u>\$ 13,968,911</u>	<u>\$ 15,144,524</u>

Sources: Various City Departments

**TABLE B-6**

<b>Fiscal Year</b>					
<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
\$ 10,123,366	\$ 12,539,645	\$ 12,262,970	\$ 14,952,135	\$ 17,663,467	\$ 14,998,630
2,107,111	2,908,495	2,916,915	2,707,222	2,947,552	3,367,577
<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>2,118,296</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>	<u>\$ 20,484,503</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>TOTAL GOVERNMENTAL ACTIVITIES</u>	<u>BUSINESS-TYPE ACTIVITIES WATER SERVICE CONTRACTS PAYABLE</u>	
2007-08	4,905,000	3,350,000	8,255,000	210,000	
2008-09	4,485,000	3,050,000	7,535,000	140,000	
2009-10	4,055,000	2,735,000	6,790,000	2,785,000	(2)
2010-11	3,605,000	2,395,000	6,000,000	2,715,000	
2011-12	6,205,000 (4)	5,115,000 (4)	11,320,000	2,640,000	
2012-13	6,055,000	4,305,000	10,360,000	23,140,000	(5)
2013-14	5,900,000	3,470,000	9,370,000	22,510,000	
2014-15	5,850,000	2,500,000	8,350,000	21,900,000	
2015-16	5,800,000	1,510,000	7,310,000	21,280,000	
2016-17	5,750,000	490,000	6,240,000	20,645,000	

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

(1) U.S. Census 2000.

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

(3) U.S. Census 2010.

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

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

TABLE C-1

<b><u>TOTAL PRIMARY GOVERNMENT</u></b>	<b><u>PERCENTAGE OF PERSONAL INCOME</u></b>	<b><u>GROSS BONDED DEBT PER CAPITA</u></b>	<b><u>NET BONDED DEBT PER CAPITA</u></b>	<b><u>POPULATION</u></b>
8,465,000	5.11%	1,519	1,509	5,433 (1)
7,675,000	4.44%	1,387	1,376	5,433
9,575,000	5.14%	1,250	1,239	5,433
8,715,000	4.33%	1,125	1,113	5,335 (3)
13,960,000	6.98%	2,122	2,120	5,335
33,500,000	16.55%	1,942	1,940	5,335
31,880,000	17.04%	1,756	1,754	5,335
30,250,000	15.85%	1,565	1,564	5,335
28,590,000	14.75%	1,370	1,368	5,335
26,885,000	13.91%	1,170	1,167	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>
2007-08	5,433 (2)	381,313,665	8,255,000	56,185
2008-09	5,433	416,592,823	7,535,000	58,323
2009-10	5,433	457,462,152	6,790,000	60,119
2010-11	5,335 (4)	462,301,785	6,000,000	62,171
2011-12	5,335	463,507,282	11,320,000	11,028
2012-13	5,335	461,305,932	10,360,000	11,906
2013-14	5,335	483,038,851	9,370,000	12,825
2014-15	5,335	487,364,377	8,350,000	6,523
2015-16	5,335	497,373,921	7,310,000	13,362
2016-17	5,335	508,226,152	6,240,000	14,443

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

(2) U.S. Census 2000

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

(4) U.S. Census 2010

**TABLE C-2**

<b>Net Bonded Debt</b>	<b>Ratio of Net Bonded Debt to Assessed Value</b>	<b>Net Bonded Debt Per Capita</b>
8,198,815	-	1,509
7,476,677	-	1,376
6,729,881	-	1,239
5,937,829	-	1,113
11,308,972	-	2,120
10,348,094	-	1,940
9,357,175	-	1,754
8,343,477	-	1,564
7,296,638	-	1,368
6,225,557	-	1,167

**CITY OF LIVINGSTON, TEXAS**  
**COMPUTATION OF DIRECT AND OVERLAPPING DEBT**  
**September 30, 2017**

<b>Governmental Unit</b>	<b>Outstanding Debt</b>	<b>Percentage Applicable to This Governmental Unit *</b>	<b>City of Livingston's Share of Debt</b>
City of Livingston	\$ 6,240,000	100%	\$ 6,240,000
(1) Livingston Independent School District	61,975,000	20%	12,395,000
(2) County of Polk	26,056,326	13%	3,387,322
Total overlapping debt	88,031,326		15,782,322
Total direct and overlapping debt	\$ 94,271,326		\$ 22,022,322

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

(2) Information provided by Polk County Auditor's Office (outstanding debt is 2016 balance)

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

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

TABLE C-4

**CITY OF LIVINGSTON, TEXAS  
COMPUTATION OF LEGAL DEBT MARGIN  
September 30, 2017**

Assessed value, year 2016	<u>\$ 508,226,152</u>
Debt Limit - Ten Percent of assessed value	50,822,615
Amount of Debt Applicable to Debt Limit:	
General Obligation bonds	490,000
Other debt (certificate of obligation and contracts payable)	<u>26,395,000</u>
Total debt	<u>26,885,000</u>
Less: Assets in debt service fund	14,443
Total amount of debt applicable to debt limit	<u>26,870,557</u>
Legal debt margin	<u>\$ 23,952,058</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>
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%
2017	\$ 50,822,615	\$ 26,870,557	\$ 23,952,058	47.13%

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

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## **DEMOGRAPHIC AND ECONOMIC INFORMATION**

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



TABLE D-1

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

---

<b>Fiscal Year</b>	<b>Population</b>	<b>Personal Income</b>	<b>Per Capita Personal Income</b>	<b>Unemployment Rate</b>
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%
2016-17	5,335	193,292,385	36,231	5.60%

\* 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**

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(*) <u>Name</u>	<u>2017</u>			<u>2008</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.	576	1	7.38%	600	1	7.69%
CHI St Luke's Health	358	2	4.59%	175	5	2.24%
Polk County	264	3	3.38%	300	3	3.85%
Walmart Super Center	200	4	2.56%	500	2	6.41%
Sam Houston Electric Coop	155	5	1.99%	153	8	1.96%
Lowe's Home Improvement	147	6	1.88%	123	10	1.58%
The Bradford	136	7	1.74%	-	-	0.00%
IAH Detention Facility	108	8	1.38%	229	4	2.94%
Pine Ridge Healthcare Center	99	9	1.27%	175	6	2.24%
First National Bank	93	10	1.19%	-	-	0.00%
Camp Cho Yeh	-		0.00%	170	7	2.18%
Brookshire Brothers	-		0.00%	148	9	1.90%
	<u>2,136</u>		<u>27.38%</u>	<u>2,573</u>		<u>32.99%</u>

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

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## **OPERATING INFORMATION**

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

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

		Full-time Equivalent Employees as of September 30,				
<b>FUNCTION/PROGRAM</b>		<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
Administrative	B	12	10	10	12	12
Fire	A	2	2	2	2	2
Police						
Officers		17	18	18	18	18
Other staff		6	6	6	8	8
Paving and street		5	5	6	5	6
Parks and recreation		8	11	11	8	8
Library		4	5	5	5	5
Garage		2	2	2	2	2
Electric, Water & Sewer		<u>18</u>	<u>18</u>	<u>19</u>	<u>17</u>	<u>16</u>
Total		<u>74</u>	<u>77</u>	<u>79</u>	<u>77</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**

<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
12	12	12	12	11
2	2	1	1	1
18	18	18	18	18
8	8	8	8	7
4	6	7	6	7
7	9	9	9	9
5	5	5	5	5
2	2	2	2	2
<u>17</u>	<u>21</u>	<u>19</u>	<u>20</u>	<u>20</u>
<u>75</u>	<u>83</u>	<u>81</u>	<u>81</u>	<u>80</u>

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

<b>FUNCTION/PROGRAM</b>	<b>Fiscal Year</b>			
	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
Police				
Violations (Traffic & Criminal)	2,823	3,309	3,317	4,494
Fire				
Fire Calls	863	797	717	850
Library				
Volumes of Books	20,770	22,409	22,287	23,544
Electric				
Average daily kilowatt hours sold	224,443	230,289	238,439	243,342
Total customers	3,329	3,331	3,296	3,286
Water				
Average daily consumption	1,445,855	1,480,375	1,567,956	1,611,014
Total connections	3,214	3,270	3,265	3,251

Sources: Various City Departments

TABLE E-2

<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
4,880	4,881	4,588	4,402	4,840	4,273
613	572	508	531	592	587
21,759	19,599	18,335	19,798	19,817	21,305
227,099	232,027	232,292	234,643	230,634	282,310
3,295	3,310	3,320	3,316	3,313	3,286
1,507,419	1,956,984	1,847,951	1,458,384	1,528,677	1,569,050
3,261	3,293	3,286	3,299	3,289	3,291



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

<b>FUNCTION/PROGRAM</b>	<b>Fiscal Year</b>			
	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
Police				
Patrol Units	7	8	10	10
Fire				
Stations and substation	3	3	3	3
Vehicles including fire trucks	17	17	17	17
Paving and Street				
Miles of Paved Streets	53.24	55.74	58.06	58.06
Miles of Paved Sidewalks	12.50	12.50	12.50	12.50
Street lights	721	721	723	818
Night lights	468	468	424	435
Parks & Recreation				
Acres of Parks	373.50	373.50	373.50	373.50
Water				
Miles of water mains	34.40	35.98	40.43	45.25
Storage capacity-gallons	2,150,000	2,150,000	2,150,000	2,150,000
Sewer				
Miles of sewer lines	78.88	78.88	80.00	80.00

Sources: Various City Departments

TABLE E-3

<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
16	16	16	17	17	19
3	3	3	3	3	4
17	15	17	15	15	15
58.06	58.06	58.06	58.06	59.06	59.06
12.50	12.50	12.50	12.50	12.50	12.50
824	819	821	826	8	828
452	452	467	463	92	481
373.50	373.50	373.50	373.50	373.50	373.50
45.78	45.78	46.63	47.43	48.18	48.49
2,150,000	2,150,000	3,150,000	3,300,000	3,300,000	3,300,000
80.00	80.75	80.75	81.30	81.60	81.60

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**MISCELLANEOUS STATISTICAL DATA - UNAUDITED**

## CITY OF LIVINGSTON, TEXAS

**MISCELLANEOUS STATISTICAL DATA - UNAUDITED**

DATE OF INCORPORATION:	October 3, 1902
GOVERNMENT:	General Law City Council - Manager Elected Officials: Mayor Five (5) Council members
POPULATION:	1990 U.S. Census - 5,019 2000 U.S. Census - 5,433 2010 U.S. Census - 5,335

**INCORPORATED AREA IN ACRES LAST TEN YEARS**

2008	5,465	2013	5,572
2009	5,537	2014	5,572
2010	5,554	2015	5,572
2011	5,572	2016	5,572
2012	5,572	2017	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 2,480,000  
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	7
Water	9	15-19	11
Sewer	4	10-14	17
Police	24	6-9	13
Street	7	1-5	25
Parks and Recreational	7	Less than (one)	
Library	5	1 year	2
Garage	2		80
Community Devel.	2		
Fire	1		
Main Street	0		
Trade Days	2		
Total	80		

**PERSONNEL POLICY PROVISIONS**

Cost of Living Salary Adjustment	Paid insurance Benefits - all regular (40 Hours plus) full-time employees and portion of dependents (hospitalization and life insurance, dental and vision prescription cards).
Merit System (all regular full-time employees)	Retirement Benefits ratio match 2:1
Paid vacation (80 hours after one year)	Social Security
(120 hours after 10 years)	Volunteer Program (MVP)
(160 hours after 20 years)	Sick Leave Pool
Paid sick leave (80 hours) with 240 hours accrual	Holiday Compensation
Paid Holidays (Ten)	Law Enforcement Certificate Pay
Bereavement Leave (24 hours)	Telecommunication Operator Certificate Pay
Earned personal leave days (Two)	Paid uniforms for all service personnel
Award program-Annual banquet, safety, service, attendance, and volunteer awards	Healthy initiative program
Education tuition reimbursement	Water/Wastewater Certificate pay
Family Leave (FMLA)	
Workers Compensation Program	

## CITY OF LIVINGSTON, TEXAS

## MISCELLANEOUS STATISTICAL DATA - UNAUDITED

**POLICE PROTECTION**Personnel

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

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

Equipment

Nineteen (19) Patrol Units  
 Eleven (11) Radars  
 Radio Communication System  
 Computer System

Traffic and Criminal Violations

\$301,069 fines collected  
 4,273 violations

**FIRE PROTECTION**Personnel

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

Housing

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

Equipment

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

1996 Station 2 - 5 Truck bays

2007 Station 3 - 2 Truck bays

2016 Station 4 - 4 Truck bays  
       (under construction)

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

Water rescue equipment

Trench rescue equipment

Rope rescue equipment

Three (3) Thermal imagers

Two (2) utility vehicles

Three (3) Grass/brush fire trucks

One (1) Heavy Rescue

1-6 Bottle cascade system-light tower

1-8 Bottle cascade system

300 gallons AFFF Foam

200 gallons Forestry Foam

One (1) John Deere Gator

One (1) Skid Unit

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

Total Fire Calls

2016-2017 - 587 fire calls

## CITY OF LIVINGSTON, TEXAS

## MISCELLANEOUS STATISTICAL DATA - UNAUDITED

**POPULATION INFORMATION**

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

**ENTERPRISES AS OF SEPTEMBER 30, 2017**

(1) CenterPoint Energy	Gas Utility	Active Customers 1,149 Inactive Customers N/A
(1) LivCom	Telephone System	Access Lines - 4,997
(1) LivCom	Television Cable	Customers - 635
City of Livingston	Electric & Water Systems	Electric Customers 3,286 Water Customers 3,291
(1) Information provided by individual corporate offices		

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

Fiscal Year	Number of Customers	KWH Consumed		Total
		Residential	Commercial	
2008	3,329	29,226,472	52,695,081	82,942,740
2009	3,331	30,428,769	53,626,613	81,921,533
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
2017	3,286	27,095,100	55,533,800	82,628,900



## CITY OF LIVINGSTON, TEXAS

## MISCELLANEOUS STATISTICAL DATA - UNAUDITED

**MUNICIPAL SALES TAX**

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
2016-17	\$ 3,759,664

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

<u>Year</u>	<u>Gallons Consumed *</u>	<u>Gallons Pumped</u>
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
2017	558,662,000	783,696,000

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

**\* EDUCATIONAL FACILITIES**Public Schools

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

Public School Miscellaneous Data

Teachers - 272 Certified  
 114 Aides Para Professional  
 94 Auxiliary  
 Average Daily Attendance - 3,798.5 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 2017  
 Enrollment 896

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

## CITY OF LIVINGSTON, TEXAS

## MISCELLANEOUS STATISTICAL DATA - UNAUDITED

**CULTURAL AND RECREATIONAL ACTIVITIES**Barney Wiggins Fairgrounds

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

Matthews Park

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

Livingston Municipal Library

Located at 707 North Tyler Avenue. Opened  
 at new location May 2014 valued at \$2,500,000.  
 Staff-Professional Librarian, Four (4) Assistants,  
 Janitorial help.  
 Volumes; 2017 - 21,305

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 2017	37,289
* Number voting in last general election November 2016	34,480
Number of registered voters in City 2017	3,109
** 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, 2017**

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<u>Name</u>	<u>Title</u>	<u>Amount of Surety Bond</u>
Clarke Evans	Mayor	\$ 25,000
Judy Cochran	Mayor Pro-tem	25,000
Raymond Luna	Alderman	25,000
Elgin Davis	Alderman	25,000
Alan Cook	Alderman	25,000
Marion Smith	Alderman	25,000
Billy S Wiggins	City Manager	25,000
Patricia Crawford	City Finance Director	25,000
Ellie Monteaux	City Secretary/Asst. City Manager	25,000
Jim Wright	City Attorney	25,000

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