

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

**FISCAL YEAR
OCTOBER 1, 2017 - SEPTEMBER 30, 2018
ISSUED BY: FINANCE DEPARTMENT
PATRICIA CRAWFORD**

CITY OF LIVINGSTON, TEXAS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
SEPTEMBER 30, 2018

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City of Livingston, Texas

A Texas Main Street City Since 2005

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February 21, 2019

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, 2018 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.

Judy B. Cochran, Mayor

Billy S. Wiggins, City Manager

Ellie Monteaux, City Secretary

Council Members: Raymond Luna, Elgin Davis, ^XAlan Cook, Marion A. 'Bid' Smith, Clarke Evans

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.

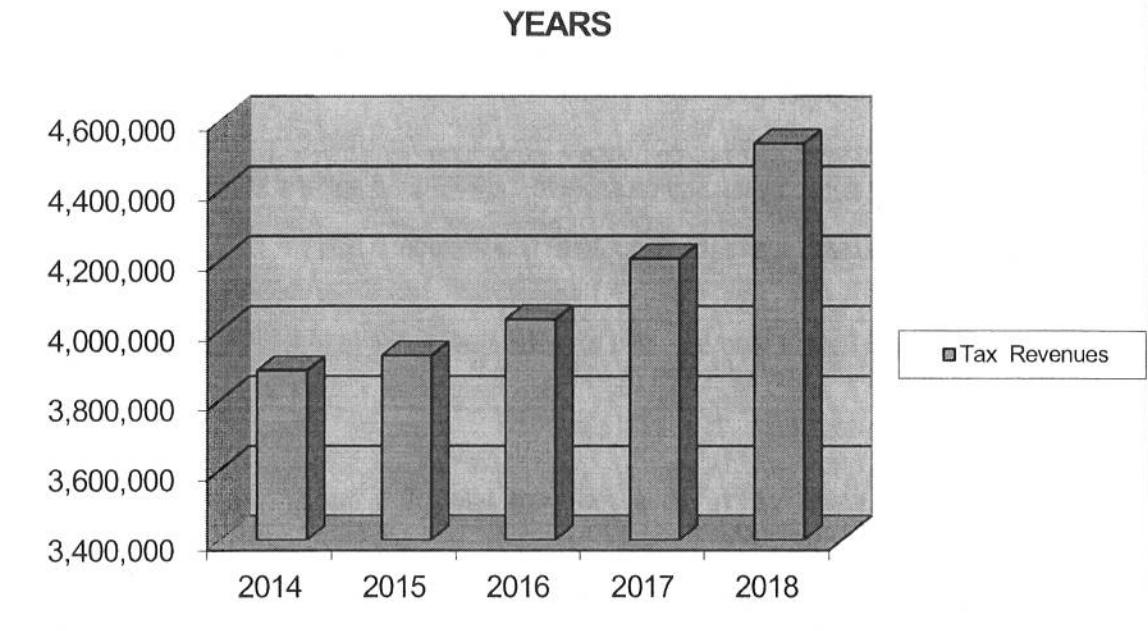
In accordance with the State Laws of Texas, the City has formally established budgetary accounting control for its operating funds. Budgetary control is maintained at the department head/function level. Financial reports are produced showing budget and actual expenditures by line item, and are distributed 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 2018. Sales tax revenue, a major indicator of the economic condition of the area, increased from \$3,760,000 to \$4,056,000, an increase of \$296,000 or 7.9%.

In fiscal 2018, hotel occupancy tax increased by 14.8%, gross receipts and franchise fees decreased by 10.6%, sanitation service revenue decreased by .1%, municipal court fines increased by 3.4%, and parks and recreation and library user fees increased by 1.2%.

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 increased, it was only minimally. Water sales and sewer service revenue decreased with the total gallons of water consumed decreasing from 572,702,000 in 2017 to 566,962,000 in 2018. The Texas Department of Criminal Justice Polunsky Unit, located on FM 350 South, continued as the City's leading water and wastewater user consuming 261,267,000 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 31,058,000 gallons of water. Together, these two facilities represent 51.56% of water and sewer consumption, or 292,325,000 gallons of the total water consumed in fiscal year 2018.

Economic Development

A total of 62 building permits were issued by the City of Livingston for commercial and residential construction projects in calendar year 2018 with a total construction value of \$3,644,617. 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 in fiscal year 2018 including:

- Completion of the installation of a second electrical transformer in the Livingston Substation. This will give us much needed capacity to handle future growth.
- Installation of an irrigation system at the Municipal Golf Course.
- Completion of our new Trades Days Office Building located at the entrance of Pedigo Park.
- Installation of an 8'6" X 18'4" "Welcome to Livingston" sign at the What-A-Burger Pond located at the intersection of US Hwy 190 and I-69.
- Installation of an 8" water line to complete a water loop off Old Woodville Road. This loop will increase water quality and pressure in the N/E quadrant of the City.

Other infrastructure projects that will begin during the 2018-2019 year include:

- Two new elevated water storage tanks to be located on Walnut and West Streets at a cost of \$2,400,000 budgeted from the Utility Fund.

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, 2018 enrollment of 330 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 that 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. They have contributed 330 new jobs which include insurance and retirement plans.
- The construction of the \$235,000,000 Roy O. Martin project, a new state-of-the-art oriented strand board (OSB) facility, which opened in the Fall of 2017 and has provided more than 165 permanent jobs.
- 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 2019.

As we begin the new year, sales tax revenue has increased for the first three months of the 2018 - 2019 fiscal year by about 1.9% from the first three months of 2017 - 2018 fiscal year. As other leading economic indicators continue to show signs of improvement such as hotel occupancy tax increasing by 14.8% in 2018, 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 annual Council workshops, the last being in October, 2018 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, the City has 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) \$1,450,000 designated for Street, Water and Sewer improvements around the City.

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 2018 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, 2018, 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, 2017. This was the thirtieth consecutive year (fiscal years ended 1988-2017) that the government has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This 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. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.

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,



Patricia Crawford
Finance Director

CITY OF LIVINGSTON, TEXAS

September 30, 2018

PRINCIPAL OFFICIALS

City Council

Mayor	Judy Cochran
Mayor Pro-tem	Alan Cook
Alderman	Raymond Luna
Alderman	Elgin Davis
Alderman	Marion Smith
Alderman	Clarke Evans

Administration

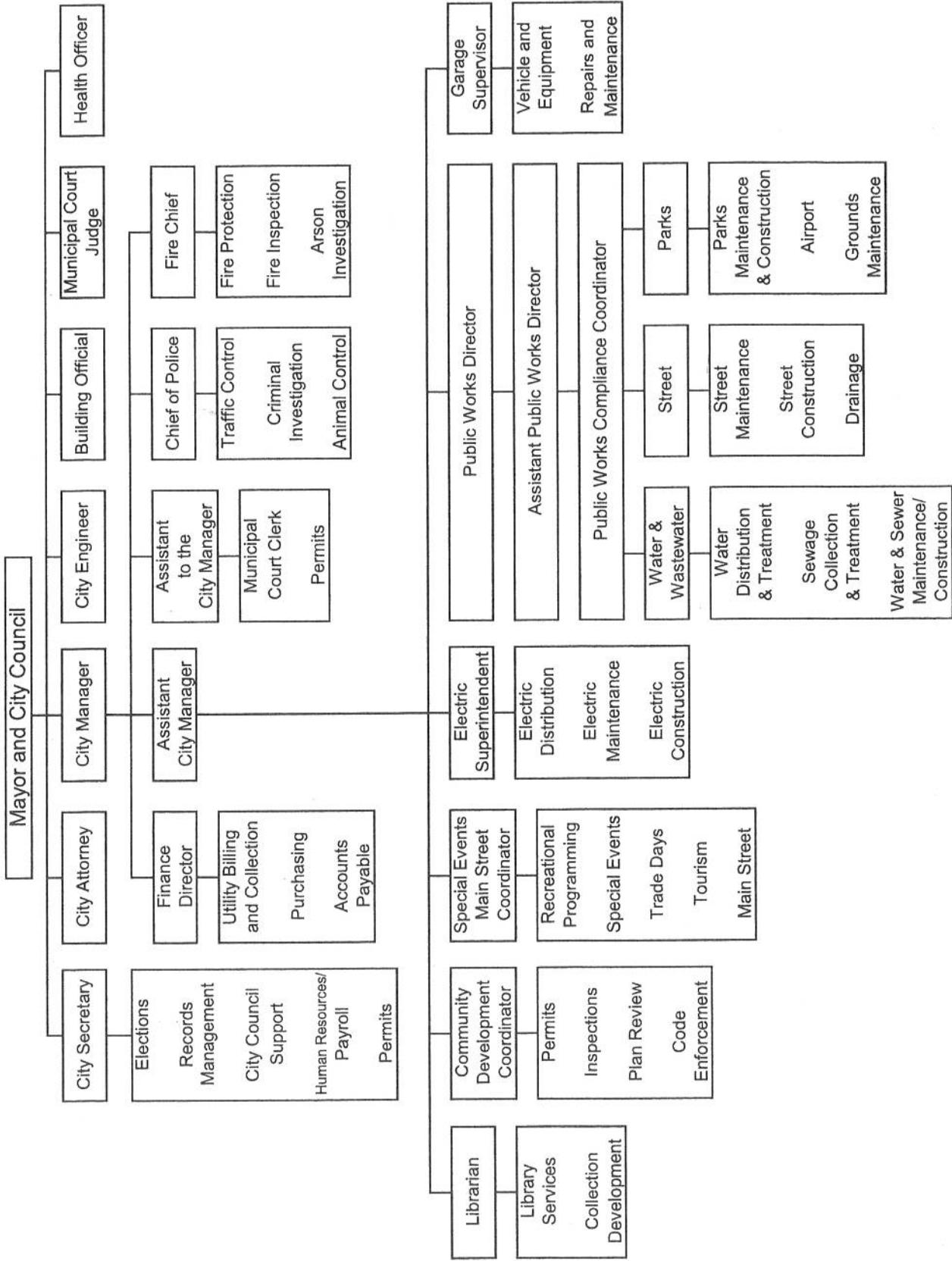
City Manager	Billy S. Wiggins
City Finance Director	Patricia Crawford
City Secretary	Ellie Monteaux
City Attorney	James Wright

Form of Government

Council - Manager
General Law City

CITY OF LIVINGSTON, TEXAS
ORGANIZATIONAL CHART

2018 - 2019





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, 2017

Christopher P. Morill

Executive Director/CEO

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FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

The Honorable Judy Cochran, 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, 2018, 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, 2018, 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 57-58 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 were derived from and relate directly to the underlying accounting records used to prepare the financial statements. The information, except for the portion marked unaudited, has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

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

Harper & Pearson Company, P.C.

Houston, Texas
February 21, 2019

CITY OF LIVINGSTON, TEXAS

MANAGEMENT'S DISCUSSION AND ANALYSIS

SEPTEMBER 30, 2018

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, 2018. Please read it in conjunction with the accompanying transmittal letter and the accompanying basic financial statements.

FINANCIAL HIGHLIGHTS

- The City's net position of governmental activities increased by \$743,000 or 15.0% as a result of the year's operations, and an increase in transfers from the City's business type activities, net of a prior period adjustment for implementation of Government Accounting Standards Board Statement No. 75 regarding other postemployment benefits (OPEB). The decrease from operations was due primarily to an increase in operating costs for the fire and police departments of approximately \$40,000. Net position of the City's business type activities increased by \$1,446,000 or 3.7% during 2018. This increase was primarily a result of operating results for 2018 which reflected lower recoveries from the Cambridge project.
- The City's total net position increased by \$2,189,000 or 5.0% during the current fiscal year. The increase is the result of the changes described above.
- Total cost of the City's government programs increased \$65,000 or 0.9%. Expenses increased in the sanitation, fire, police, parks, library and garage departments while decreasing in the administrative, paving and street, and interest expense. The largest contributor to the increase was increased police department salaries due to increased personnel.
- As of September 30, 2018, the City of Livingston's governmental funds reported combined ending fund balances of \$1,970,000, an increase of \$585,000 in comparison with the prior fiscal year. The increase is due primarily to an increase in transfers from the Electric, Water and Sewer fund of \$1,103,000.
- At the end of the current fiscal year, the unassigned fund balance for the general fund was \$1,947,000 or approximately 27.7% of total general fund expenditures.
- The City's total bonded debt decreased by \$540,000 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 along with other postemployment benefits liability (OPEB). The Texas Municipal Retirement System (TMRS) administers the City's pension plan through a cost-sharing multiple employer defined benefit plan and the City's OPEB (death benefits). Further information about the City of Livingston's pension plan can be found in footnote 7, pages 43-47 of this report. Information regarding the City's OPEB can be found in footnote 8, pages 47-49 of this report.

THE CITY AS A WHOLE - Government-Wide Financial Analysis

The City's combined net position was \$46,117,000 as of September 30, 2018. Analyzing the net position of governmental and business-type activities separately, the business type activities net position is \$40,429,000. 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 (59.75%) reflects its investment in capital assets (e.g., land, water rights, buildings, machinery, equipment, and infrastructure); less any related debt used to acquire those assets that are still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

City of Livingston, Texas
 Management's Discussion and Analysis (continued)
 September 30, 2018

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

Table 1
Net Position

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2018	2017	2018	2017	2018	2017
Current and other assets	\$ 2,179,124	\$ 1,956,238	\$ 20,913,507	\$ 19,750,055	\$ 23,092,631	\$ 21,706,293
Capital assets	<u>11,326,496</u>	<u>11,704,673</u>	<u>41,917,012</u>	<u>42,558,595</u>	<u>53,243,508</u>	<u>54,263,268</u>
Total Assets	13,505,620	13,660,911	62,830,519	62,308,650	76,336,139	75,969,561
Deferred Outflows	<u>382,186</u>	<u>896,421</u>	<u>197,374</u>	<u>451,918</u>	<u>579,560</u>	<u>1,348,339</u>
Total assets and deferred outflows of resources	<u>13,887,806</u>	<u>14,557,332</u>	<u>63,027,893</u>	<u>62,760,568</u>	<u>76,915,699</u>	<u>77,317,900</u>
Long-term debt outstanding	5,700,000	6,240,000	19,990,000	20,645,000	25,690,000	26,885,000
Other liabilities	<u>1,700,815</u>	<u>3,354,054</u>	<u>2,195,474</u>	<u>3,123,632</u>	<u>3,896,289</u>	<u>6,477,686</u>
Total Liabilities	7,400,815	9,594,054	22,185,474	23,768,632	29,586,289	33,362,686
Deferred Inflows	<u>799,085</u>	<u>18,515</u>	<u>413,735</u>	<u>9,328</u>	<u>1,212,820</u>	<u>27,843</u>
Total liabilities and deferred inflows of resources	<u>8,199,900</u>	<u>9,612,569</u>	<u>22,599,209</u>	<u>23,777,960</u>	<u>30,799,109</u>	<u>33,390,529</u>
Net position (deficit):						
Net investment in capital assets	5,626,496	5,464,673	21,927,012	21,913,595	27,553,508	27,378,268
Restricted	<u>9,848</u>	<u>14,443</u>	<u>797,893</u>	<u>472,253</u>	<u>807,741</u>	<u>486,696</u>
Unrestricted	<u>51,562</u>	<u>(534,353)</u>	<u>17,703,779</u>	<u>16,596,760</u>	<u>17,755,341</u>	<u>16,062,407</u>
Total net position	<u>\$ 5,687,906</u>	<u>\$ 4,944,763</u>	<u>\$ 40,428,684</u>	<u>\$ 38,982,608</u>	<u>\$ 46,116,590</u>	<u>\$ 43,927,371</u>

An additional portion of the City's net position (1.8%) represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net position \$17,775,341 may be used to meet the government's ongoing obligations to citizens and creditors.

As of September 30, 2018, the City is able to report positive balances in all three categories of net position. The governmental activities reflect a deficit in unrestricted net position at September 30, 2017 as a result of reduced transfers from the business-type activities in that year. The City returned 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.

City of Livingston, Texas
Management's Discussion and Analysis (continued)
September 30, 2018

The governmental activities total assets decreased by \$155,000. This decrease was primarily related to operating results for 2018, lower capital additions and higher depreciation. Long-term debt of governmental activities decreased by \$540,000 as a result of the payment on outstanding bonds. The long-term debt of the business type activities decreased by \$655,000 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 \$2,189,219 which is net of a prior period adjustment of \$179,452 to record the beginning of year liability for OPEB.

Governmental Activities

Governmental activities increased net position by \$743,143 from operating activities and increased transfers from the Electric, Water and Sewer Fund net of the aforementioned prior period adjustment. Net position invested in capital assets, net of related debt increased by \$161,823 or 3.0% due to the repayment of outstanding bonds and investment in equipment, buildings, and infrastructure net of depreciation. Unrestricted net position increased by \$585,915 once again as a result of an increase in transfers from the Electric, Water and Sewer Fund.

Total revenues for governmental activities increased from the previous year by \$312,425. The primary increase was in sales tax of \$296,273. Expenses increased by 0.9% and were generally unchanged in most departments due to relatively stable employment costs.

Business-Type Activities

Net position from business-type activities increased by \$1,446,076 or 3.7% from \$38,982,608 in 2017 to \$40,428,684 in 2018. The increase was primarily due to electric recoveries of approximately \$2,667,000 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 \$487,000 along with operating results for the year, net of transfers to governmental activities of \$1,925,344.

The following table provides a summary of the City's operations for year ended September 30, 2018 with comparative totals for year ended September 30, 2017.

City of Livingston, Texas
 Management's Discussion and Analysis (continued)
 September 30, 2018

Table 2
City of Livingston's Changes in Net Position

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2018	2017	2018	2017	2018	2017
Revenues:						
Program Revenues:						
Charges for Services	\$ 1,905,855	\$ 1,915,822	\$ 18,444,719	\$ 20,484,503	\$ 20,350,574	\$ 22,400,325
Capital Grants & Contributions	-	3,050	-	-	-	3,050
Operating Grants & Contributions	64,384	69,403	-	-	64,384	69,403
General Revenues:						
Property tax	-	-	-	-	-	-
Sales tax	4,055,937	3,759,664	-	-	4,055,937	3,759,664
Franchise tax	115,006	128,601	-	-	115,006	128,601
Hotel/Motel tax	362,937	316,075	-	-	362,937	316,075
Investment earnings	4,303	3,382	9,056	8,655	13,359	12,037
Total Revenues	6,508,422	6,195,997	18,453,775	20,493,158	24,962,197	26,689,155
Expenses:						
Administration	546,294	649,067	-	-	546,294	649,067
Sanitation	764,143	740,246	-	-	764,143	740,246
Fire	510,309	480,753	-	-	510,309	480,753
Police	2,269,710	2,259,591	-	-	2,269,710	2,259,591
Paving & Street	1,335,446	1,238,574	-	-	1,335,446	1,238,574
Parks & Recreation	1,113,057	1,101,262	-	-	1,113,057	1,101,262
Library	519,798	511,324	-	-	519,798	511,324
Garage	255,314	240,257	-	-	255,314	240,257
Interest on long-term debt	197,100	225,050	-	-	197,100	225,050
Electric, Water, and Sewer	-	-	15,082,355	14,772,164	15,082,355	14,772,164
Total Expenses	7,511,171	7,446,124	15,082,355	14,772,164	22,593,526	22,218,288
Excess (deficiency) before transfers	(1,002,749)	(1,250,127)	3,371,420	5,720,994	2,368,671	4,470,867
Transfers, net	1,925,344	822,556	(1,925,344)	(822,556)	-	-
Increase (decrease) in net position	922,595	(427,571)	1,446,076	4,898,438	2,368,671	4,470,867
Net position - October 1	4,944,763	5,372,334	38,982,608	34,084,170	43,927,371	39,456,504
Change in Accounting	(179,452)	-	-	-	(179,452)	-
Net position - September 30	\$ 5,687,906	\$ 4,944,763	\$ 40,428,684	\$ 38,982,608	\$ 46,116,590	\$ 43,927,371

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 \$1,970,189. Approximately 98.8% of the total amount (\$1,946,866) 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 (\$9,848) and library (\$13,475) capital improvements.

The unassigned fund balance of the general fund increased by \$589,665 from the prior year. The increase was the result of an increase in transfers from the Electric Water and Sewer fund. The restricted fund balance of the general fund decreased by \$5,617 from the prior year. The decrease was due to reduced transfers to the debt service fund.

In the general fund, the City budgeted for a loss of approximately \$172,000 on a GAAP basis. Due to a decrease in expected fire department improvements and an increase in sales tax receipts along with additional transfers from the proprietary fund of \$1,102,788, the actual fund balance increased by \$589,665.

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 \$17,703,779. Total unrestricted net position increased in 2018 by \$1,446,076. As previously described, the reduced increase compared to 2017 in the net position was primarily the result of a reduction in electric recoveries from the Cambridge Project and increased transfers to the general fund.

General Fund Budgetary Highlights

The City made revisions to the original appropriations approved by the City Council. Overall these changes resulted in increased budgeted revenues of \$319,850 or 5.5%. The increase in budgeted revenues was primarily for an increase in sales tax revenues. Budgeted expenditures were increased by \$60,075 or .9%. The increase in budgeted expenditures were primarily for increased fire department capital improvements.

City of Livingston, Texas
 Management's Discussion and Analysis (continued)
 September 30, 2018

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of the fiscal year 2018, the City had \$53,243,508 (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 1.9% (3.2% decrease for governmental activities and a 1.5% decrease in business-type activities) (See Table 3).

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

	Governmental Activities		Business-Type Activities		Totals 2018	Totals 2017
	2018	2017	2018	2017		
Land	\$ 476,004	\$ 476,004	\$ 694,222	\$ 694,222	\$ 1,170,226	\$ 1,170,226
Water Rights	-	-	19,990,000	20,645,000	19,990,000	20,645,000
Buildings and improvements	3,874,398	3,935,278	273,057	284,549	4,147,455	4,219,827
Equipment and fixtures	1,502,454	1,446,495	413,854	487,390	1,916,308	1,933,885
Paving, sidewalks and streets	4,544,037	5,014,432	-	-	4,544,037	5,014,432
Parks development	842,890	736,388	-	-	842,890	736,388
Airport						
improvements	86,713	96,076	-	-	86,713	96,076
Utility systems	-	-	20,545,879	20,447,434	20,545,879	20,447,434
Total	\$ 11,326,496	\$ 11,704,673	\$ 41,917,012	\$ 42,558,595	\$ 53,243,508	\$ 54,263,268

This year's major additions included:

Police vehicles	\$ 78,416
Various street improvements	199,820
Parks building	143,334
Golf Course improvements	185,914
Land	59,260
Utility System Improvements	528,693
Total	\$ 1,195,437

The City's fiscal year 2019 capital budget calls for it to spend another \$5,879,000 for capital projects, principally for street improvements (\$586,000), police patrol cars (\$155,000), parks improvements and equipment (\$81,000), electrical system improvements and equipment (\$645,000), and water and sewer system improvements (\$4,247,000). Additional information on the City of Livingston's capital assets can be found in footnote 6 on pages 41-43 of this report.

City of Livingston, Texas
 Management's Discussion and Analysis (continued)
 September 30, 2018

Debt

At year-end, the City had \$5,700,000 in bonds outstanding as compared to \$6,240,000 at the end of the prior fiscal year, a decrease of 8.7% - as shown in Table 4.

Table 4
Outstanding Debt, at Year-end

	Governmental Activities		Business-Type Activities		Totals	
	2018	2017	2018	2017	2018	2017
General obligation bonds (backed by the City)	\$ -	\$ 490,000	\$ -	\$ -	\$ -	\$ 490,000
Certificates of obligation (backed by the City)	<u>5,700,000</u>	<u>5,750,000</u>	<u>-</u>	<u>-</u>	<u>5,700,000</u>	<u>5,750,000</u>
Totals	<u>\$ 5,700,000</u>	<u>\$ 6,240,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,700,000</u>	<u>\$ 6,240,000</u>

The City's certificates 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 50-51 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 2018-2019 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 2018-2019 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 16.3% of the City's total annual operating revenue. For the fiscal year ended September 30, 2018, sales tax revenue increased by 7.9%. The City also has in place an "Undesignated Fund Balance Policy" for the General Fund that calls for periodic transfers from the Enterprise Fund to the General Fund (franchise fees) in order to provide continued stability in its cash flow as seasonal shortfalls and unanticipated expenditures occur.

City of Livingston, Texas
Management's Discussion and Analysis (continued)
September 30, 2018

As for the City's business-type activities, fees for electric, water and sewer services account for about 73.9% of the city's total annual operating revenue. The City is hopeful that new commercial construction will increase in 2019 bringing with its new sales tax revenue, development fees, utility service fees, and employment opportunities.

The major challenges in front of the City in 2019 is the construction of the two (2) elevated water storage tanks and negotiating and renewing our Raw Water Purchase Agreement with the Trinity River Authority that expires in February of 2020. We anticipate an increase of approximately \$475,000/year over what we have been paying. Fortunately for us we have been able to pay-off two Certificates of Obligation over the last two years that have reduced our outstanding debt service requirement by \$875,000 from \$1,282,000 in 2016 down to \$408,100 for 2019.

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 2019, 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, 2018

	PRIMARY GOVERNMENT		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash	\$ 2,152,344	\$ 16,910,976	\$ 19,063,320
Certificates of deposit	-	1,500,000	1,500,000
Receivables:			
Returned checks receivable	3,677	34,260	37,937
Paving accounts receivable	23,103	-	23,103
Utility accounts receivable	-	1,670,378	1,670,378
Restricted assets - cash	-	797,893	797,893
Capital assets (net of accumulated depreciation):			
Land	476,004	694,222	1,170,226
Buildings and improvements	3,874,398	273,057	4,147,455
Equipment and fixtures	1,502,454	413,854	1,916,308
Paving, sidewalks and streets	4,544,037	-	4,544,037
Parks development	842,890	-	842,890
Airport improvements	86,713	-	86,713
Electrical system	-	4,212,009	4,212,009
Water system	-	9,599,061	9,599,061
Sewer system	-	6,734,809	6,734,809
Water service contract rights	-	19,990,000	19,990,000
Total Assets	<u>13,505,620</u>	<u>62,830,519</u>	<u>76,336,139</u>
DEFERRED OUTFLOWS OF RESOURCES			
Amounts related to pensions and other post postemployment benefits			
Contributions after December 31, 2017	345,849	186,017	531,866
Change in Assumptions	36,337	11,357	47,694
Total Deferred Outflows of Resources	<u>382,186</u>	<u>197,374</u>	<u>579,560</u>
Combined Assets and Deferred Outflows of Resources	<u>\$ 13,887,806</u>	<u>\$ 63,027,893</u>	<u>\$ 76,915,699</u>

See accompanying notes to financial statements

CITY OF LIVINGSTON, TEXAS
GOVERNMENT-WIDE STATEMENT OF NET POSITION
SEPTEMBER 30, 2018

	PRIMARY GOVERNMENT		
	Governmental Activities	Business-type Activities	Total
LIABILITIES			
Accounts payable	\$ 208,935	\$ 966,901	\$ 1,175,836
Meter deposits	-	567,578	567,578
Noncurrent Liabilities:			
Net pension liability	1,276,674	660,995	1,937,669
Other post employment benefit liability	215,206	-	215,206
Due within one year	220,000	675,000	895,000
Due in more than one year	<u>5,480,000</u>	<u>19,315,000</u>	<u>24,795,000</u>
Total Liabilities	<u>7,400,815</u>	<u>22,185,474</u>	<u>29,586,289</u>
DEFERRED INFLOWS OF RESOURCES			
Amounts related to pensions			
Difference in expected and actual experience	799,085	413,735	1,212,820
Total Deferred Inflows of Resources	<u>799,085</u>	<u>413,735</u>	<u>1,212,820</u>
Combined Liabilities and Deferred Inflows of Resources	<u>8,199,900</u>	<u>22,599,209</u>	<u>30,799,109</u>
NET POSITION			
Net investment in capital assets	5,626,496	21,927,012	27,553,508
Restricted for:			
System improvements	-	62,137	62,137
Debt service	9,848	735,756	745,604
Unrestricted	<u>51,562</u>	<u>17,703,779</u>	<u>17,755,341</u>
Total Net Position	<u>\$ 5,687,906</u>	<u>\$ 40,428,684</u>	<u>\$ 46,116,590</u>

See accompanying notes to financial statements

CITY OF LIVINGSTON, TEXAS
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2018

<u>FUNCTIONS/PROGRAMS</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Operating Grants and Contributions</u>
		<u>Charges for Services</u>	<u>Capital Grants and Contributions</u>	<u>Operating Grants and Contributions</u>	
Governmental activities:					
Administrative	\$ 546,294	\$ 92,630	\$ -	\$ -	-
Sanitation	764,143	1,213,940	-	-	-
Fire	510,309	-	-	-	53,933
Police	2,269,710	359,665	-	-	-
Paving and street	1,335,446	27,146	-	-	-
Parks and recreation	1,113,057	191,412	-	-	-
Library	519,798	21,062	-	-	10,451
Garage	255,314	-	-	-	-
Interest on long-term debt	197,100	-	-	-	-
Total governmental activities	<u>7,511,171</u>	<u>1,905,855</u>	<u>-</u>	<u>-</u>	<u>64,384</u>
Business-type activities:					
Electric, water and sewer	<u>15,082,355</u>	<u>18,444,719</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total business-type activities	<u>15,082,355</u>	<u>18,444,719</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total primary government	<u>\$ 22,593,526</u>	<u>\$ 20,350,574</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 64,384</u>
General revenues:					
Taxes					
Sales taxes					
Franchise taxes					
Hotel/Motel taxes					
Unrestricted investment earnings					
Capital Contributions and Transfers					
Total general revenues and transfers					
Change in net position					
Net position-beginning					
Change in accounting					
Net position-ending					

See accompanying notes to financial statements

Net (Expense) Revenue and Changes in Net Position

Governmental Activities	Business-Type Activities	Total
\$ (453,664)	\$ -	\$ (453,664)
449,797	-	449,797
(456,376)	-	(456,376)
(1,910,045)	-	(1,910,045)
(1,308,300)	-	(1,308,300)
(921,645)	-	(921,645)
(488,285)	-	(488,285)
(255,314)	-	(255,314)
(197,100)	-	(197,100)
<u>(5,540,932)</u>	<u>-</u>	<u>(5,540,932)</u>
-	3,362,364	3,362,364
-	3,362,364	3,362,364
(5,540,932)	3,362,364	(2,178,568)
4,055,937	-	4,055,937
115,006	-	115,006
362,937	-	362,937
4,303	9,056	13,359
<u>1,925,344</u>	<u>(1,925,344)</u>	<u>-</u>
<u>6,463,527</u>	<u>(1,916,288)</u>	<u>4,547,239</u>
922,595	1,446,076	2,368,671
4,944,763	38,982,608	43,927,371
(179,452)	-	(179,452)
<u>\$ 5,687,906</u>	<u>\$ 40,428,684</u>	<u>\$ 46,116,590</u>

See accompanying notes to financial statements

CITY OF LIVINGSTON, TEXAS
GOVERNMENTAL FUNDS
BALANCE SHEET
SEPTEMBER 30, 2018

	General	Debt Service
ASSETS		
Cash	\$ 2,142,496	\$ 9,848
Receivables:		
Returned checks receivable	3,677	-
Paving accounts receivable	<u>23,103</u>	<u>-</u>
Total Assets	<u>\$ 2,169,276</u>	<u>\$ 9,848</u>
LIABILITIES		
Accounts payable	\$ 208,935	\$ -
Total Liabilities	<u>208,935</u>	<u>-</u>
FUND BALANCES		
Restricted for:		
Library Memorials	13,475	-
Debt Service	-	9,848
Unassigned	<u>1,946,866</u>	<u>-</u>
Total Fund Balances	<u>1,960,341</u>	<u>9,848</u>
Total Liabilities and Fund Balances	<u>\$ 2,169,276</u>	<u>\$ 9,848</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

Net post employment benefits

Deferred inflows of resources related to pensions for difference in plan experience
and assumptions.

Bonds payable

Net position of governmental activities

**Total
Governmental
Funds**

\$ 2,152,344

3,677

23,103

\$ 2,179,124

\$ 208,935

208,935

13,475
9,848

1,946,866

1,970,189

11,326,496

382,186

(1,276,674)
(215,206)

(799,085)
(5,700,000)

\$ 5,687,906

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, 2018

	General	Debt Service
REVENUES		
Taxes:		
Sales taxes	\$ 4,055,937	\$ -
Franchise taxes	115,006	-
Hotel/Motel taxes	362,937	-
Licenses and permits	62,259	-
Charges for service	1,440,739	-
Fines and forfeitures	370,040	-
Miscellaneous	20,528	561
Total Revenues	<u>6,427,446</u>	<u>561</u>
EXPENDITURES		
Current:		
Administrative	562,507	-
Sanitation	764,023	-
Fire	517,846	-
Police	2,285,098	-
Paving and street	878,952	-
Parks and recreation	1,283,801	-
Library	489,709	-
Garage	249,245	-
Debt service:		
Principal retirement	-	540,000
Interest	-	197,100
Capital outlay:		
Street improvements	-	-
Total Expenditures	<u>7,031,181</u>	<u>737,100</u>
Deficiency of revenues over expenditures	<u>(603,735)</u>	<u>(736,539)</u>
OTHER FINANCING SOURCES (USES)		
Transfers in	1,925,344	731,944
Transfers out	<u>(731,944)</u>	<u>-</u>
Total other financing sources (uses)	<u>1,193,400</u>	<u>731,944</u>
Net change in fund balances	589,665	(4,595)
Fund Balances - beginning	<u>1,370,676</u>	<u>14,443</u>
Fund Balances - ending	<u>\$ 1,960,341</u>	<u>\$ 9,848</u>

See accompanying notes to financial statements

**Total
Governmental
Funds**

\$	4,055,937
	115,006
	362,937
	62,259
	1,440,739
	370,040
	21,089
	<u>6,428,007</u>

562,507
764,023
517,846
2,285,098
878,952
1,283,801
489,709
249,245
540,000
197,100

7,768,281
<u>(1,340,274)</u>

2,657,288
(731,944)
<u>1,925,344</u>

585,070

1,385,119

\$ 1,970,189

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, 2018

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

Net changes in fund balances - total governmental funds	\$ 585,070
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.	(378,176)
Change in the net pension liability reported as a decrease in pension expense in the statement of activities	189,680
Change in the net other postemployment benefits reported as an increase in employee insurance expense in the statement of activities	(13,979)
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.	540,000
Changes in net position of governmental activities	\$ 922,595

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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, 2018

	Budgeted Amounts GAAP Basis		
	Original	Revisions	Final
REVENUES			
Taxes:			
Sales taxes	\$ 3,531,000	\$ 257,535	\$ 3,788,535
Franchise taxes	112,000	-	112,000
Hotel/Motel taxes	300,000	35,000	335,000
Licenses and permits	46,500	34,000	80,500
Charges for service	1,389,761	31,924	1,421,685
Fines and forfeitures	377,022	(50,022)	327,000
Miscellaneous	80,175	11,413	91,588
Total Revenues	<u>5,836,458</u>	<u>319,850</u>	<u>6,156,308</u>
EXPENDITURES			
Current:			
Administrative	712,100	(31,200)	680,900
Sanitation	745,000	(40,000)	705,000
Fire	564,950	364,050	929,000
Police	2,315,800	12,200	2,328,000
Paving and street	1,295,700	(359,400)	936,300
Parks and recreation	1,140,850	191,275	1,332,125
Library	432,350	44,450	476,800
Garage	360,300	(115,300)	245,000
Total Expenditures	<u>7,567,050</u>	<u>66,075</u>	<u>7,633,125</u>
Deficiency of revenues over expenditures	<u>(1,730,592)</u>	<u>253,775</u>	<u>(1,476,817)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	2,515,617	(486,388)	2,029,229
Transfers out	(724,525)	(2)	(724,527)
Total other financing sources and (uses)	<u>1,791,092</u>	<u>(486,390)</u>	<u>1,304,702</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	<u>\$ 60,500</u>	<u>\$ (232,615)</u>	<u>\$ (172,115)</u>
Fund balance at beginning of year			
Fund balance at end of year			

See accompanying notes to financial statements

Actual	Variance with Final Budget Positive (Negative)
\$ 4,055,937	\$ 267,402
115,006	3,006
362,937	27,937
62,259	(18,241)
1,440,739	19,054
370,040	43,040
20,528	(71,060)
<u>6,427,446</u>	<u>271,138</u>
562,507	118,393
764,023	(59,023)
517,846	411,154
2,285,098	42,902
878,952	57,348
1,283,801	48,324
489,709	(12,909)
249,245	(4,245)
<u>7,031,181</u>	<u>601,944</u>
<u>(603,735)</u>	<u>873,082</u>
1,925,344	(103,885)
(731,944)	(7,417)
<u>1,193,400</u>	<u>(111,302)</u>
589,665	\$ 761,780
<u>1,370,676</u>	
<u>\$ 1,960,341</u>	

See accompanying notes to financial statements

CITY OF LIVINGSTON, TEXAS
STATEMENT OF NET POSITION PROPRIETARY FUNDS
SEPTEMBER 30, 2018

Business-Type Activities - Enterprise Fund

	Electric
	Water and
	Sewer
ASSETS	
Current assets:	
Cash	\$ 16,910,976
Certificates of deposit	1,500,000
Restricted assets	
Cash in bank, water and sewer system improvements	62,137
Cash in bank, reserve fund	735,756
Receivables:	
Returned checks receivable	34,260
Utility accounts receivable	1,670,378
Total current assets	<u>20,913,507</u>
Noncurrent assets:	
Capital assets:	
Land	694,222
Building and improvements	507,925
Equipment and fixtures	2,608,195
Electrical system	6,159,780
Water system	12,640,870
Sewer system	10,000,931
Water service contract rights	<u>19,990,000</u>
	52,601,923
Less accumulated depreciation	<u>(10,684,911)</u>
Net capital assets	<u>41,917,012</u>
Total Assets	<u>62,830,519</u>
Deferred outflows of resources:	
Amounts related to pensions	
Contributions after December 31, 2017	186,017
Change in Assumptions	<u>11,357</u>
Total Deferred Outflows of Resources	<u>197,374</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 63,027,893</u>

See accompanying notes to financial statements

CITY OF LIVINGSTON, TEXAS
STATEMENT OF NET POSITION PROPRIETARY FUNDS
SEPTEMBER 30, 2018

Business-Type Activities - Enterprise Fund

	Electric Water and Sewer
LIABILITIES	
Current liabilities:	
Accounts payable	\$ 966,901
Meter deposits	567,578
Contracts payable - Trinity River Authority	675,000
Total current liabilities	<u>2,209,479</u>
Noncurrent liabilities:	
Net pension liability	660,995
Contracts payable - Trinity River Authority	<u>19,315,000</u>
Total noncurrent liabilities	<u>19,975,995</u>
Total liabilities	<u>22,185,474</u>
Deferred inflows of resources:	
Amounts related to pensions	413,735
Difference in expected and actual experience	<u>413,735</u>
Total Deferred Inflows of Resources	<u>413,735</u>
Total Liabilities and Deferred Inflows of Resources	<u>22,599,209</u>
NET POSITION	
Net investment in capital assets	21,927,012
Restricted for water and sewer system improvements	62,137
Restricted for Trinity River Authority contracts payable	735,756
Unrestricted	<u>17,703,779</u>
Total Net Position	<u>\$ 40,428,684</u>

See accompanying notes to financial statements

CITY OF LIVINGSTON, TEXAS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2018

Business-Type Activities - Enterprise Fund

**Electric
Water and
Sewer**

Operating revenues

Charges for sales and services:	
Electricity sales	\$ 9,516,077
Water sales	2,925,373
Sewer service charges	2,090,144
Penalties, utilities	161,342
Water tapping fees	5,930
Sewer tapping fees	5,750
Recoveries, electrical	3,178,492
Recoveries, water	406,133
Revenue, night lights	98,358
Service fees	57,120
Total Operating Revenues	<u>18,444,719</u>

Operating expenses

Light and Power Department	9,888,635
Water Department	3,894,242
Sewer Department	752,139
Depreciation	547,339
Total Operating Expenses	<u>15,082,355</u>

Operating Income	3,362,364
------------------	-----------

Non-operating revenues:

Interest income	<u>9,056</u>
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Income Before Transfers	3,371,420
-------------------------	-----------

Transfers Out	<u>(1,925,344)</u>
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Change in net position	1,446,076
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Total net position - beginning	<u>38,982,608</u>
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Total net position - ending	<u>\$ 40,428,684</u>
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CITY OF LIVINGSTON, TEXAS
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2018

Business-Type Activities - Enterprise Fund	
	Electric Water and Sewer
Cash flows from operating activities:	
Cash received from customers	\$ 18,366,252
Cash payments to suppliers for goods and services	(13,132,200)
Cash payments to employees for services	<u>(1,509,028)</u>
Net cash provided by operating activities	<u>3,725,024</u>
Cash flows from noncapital financing activities:	
Transfers to other funds	<u>(1,925,344)</u>
Net cash used by noncapital financing activities	<u>(1,925,344)</u>
Cash flows from capital and related financing activities:	
Acquisition of capital assets	<u>(560,757)</u>
Net cash used for capital and related financing activities	<u>(560,757)</u>
Cash flows from investing activities:	
Interest on cash and investments	<u>9,056</u>
Net cash provided by investing activities	<u>9,056</u>
Net Change in Cash and Cash Equivalents	1,247,979
Cash and Cash Equivalents at Beginning of Year	<u>16,460,891</u>
Cash and Cash Equivalents at End of Year	<u>\$ 17,708,870</u>

(Continued)

CITY OF LIVINGSTON, TEXAS
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2018

Business-Type Activities - Enterprise Fund

	Electric Water and Sewer
Reconciliation of income from operations to net cash provided by operating activities:	
Income from operations	\$ 3,362,364
Adjustments to reconcile operating net income to net cash provided by operating activities:	
Depreciation	547,339
Change in operating assets and liabilities:	
Returned checks receivable	(2,603)
Utility accounts receivable	87,130
Deferred outflows	254,544
Accounts payable	(198,272)
Meter deposits	11,266
Net pension liability	(741,152)
Deferred inflows	<u>404,407</u>
	<u>362,659</u>
Total adjustments	<u>362,659</u>
Net cash provided by operating activities	<u>\$ 3,725,023</u>
Reconciliation of total cash and cash investments:	
Unrestricted	\$ 16,910,976
Restricted	
Cash in bank, water and sewer system improvements	62,137
Cash in bank, reserve fund	<u>735,756</u>
Total cash and cash equivalents	<u>\$ 17,708,869</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, 2018

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, 2018.

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 in the process of consolidation.

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, 2018 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 and Other Postemployment Benefits

For purposes of measuring the net pension liability and the total liability for other postemployment benefits (OPEB), deferred outflows and inflows of resources related to pensions and OPEB, and pension and death benefit 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, 2018.

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.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)Statement of Cash Flows

For purposes of the Statement of Cash Flows, the Electric, Water and Sewer Fund considers all cash and certificates of deposit (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

Interfund Transactions

Interfund transactions are treated as follows:

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

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, 2018:

<u>Fund</u>	<u>Transfer In</u>	<u>Transfer Out</u>
General Fund	\$ 1,925,344	\$ 731,944
Debt Service Fund	731,944	-
Electric, Water and Sewer Fund	-	<u>1,925,344</u>
 Total	 \$ 2,657,288	 \$ 2,657,288

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 removed 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, 2018, the City had the following investments:

Investment Type	Fair Value	Weighted Average Maturity (Years)
Non-Pooled Certificates of Deposit	\$ 1,500,000	0.117
Total Fair Value	\$ 1,500,000	
Portfolio weighted average maturity		0.117

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, 2018 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.

NOTE 4 PROPERTY TAXES: (CONTINUED)

The City had no property taxes receivable as of September 30, 2018.

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 2018.

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, 2018:

Governmental funds capital outlays	\$ 841,596
Governmental funds depreciation expense	<u>(1,219,772)</u>
Amount by which capital outlays exceeded depreciation	\$ <u>(378,176)</u>
Pension Expense based on contributions	\$ 430,971
Pension Expense based on change in net pension liability	<u>(241,291)</u>
Amount by which pension contributions exceeded pension expense	\$ <u>189,680</u>
OPEB Expense based on contributions	\$ 14,401
OPEB Expense based on change in liability	<u>(28,380)</u>
Amount by which OPEB expense exceeded OPEB contributions	\$ <u>(13,979)</u>
Repayment of principal of long-term debt	\$ 540,000
Total bonds issued and repayment of bonds	<u>\$ 540,000</u>

NOTE 6 CAPITAL ASSETS:

Capital asset activity for the year ended September 30, 2018 was as follows:

	<u>Balance October 1, 2017</u>	<u>Additions</u>	<u>Retirements/ Adjustments</u>	<u>Balance September 30, 2018</u>
Governmental Activities:				
Capital assets not being depreciated				
Land	\$ 476,004	\$ -	\$ -	\$ 476,004
Capital assets being depreciated				
Building and Improvements	6,717,808	154,814	2	6,872,620
Equipment and Fixtures	6,467,828	422,070	195,265	6,694,633
Paving, Sidewalks and Streets	16,761,234	78,613	1	16,839,846
Parks Development	3,472,336	186,099	1	3,658,434
Airport Improvements	719,575	-	-	719,575
Total capital assets being depreciated	<u>34,138,781</u>	<u>841,596</u>	<u>195,269</u>	<u>34,785,108</u>
Less accumulated depreciation for:				
Buildings and Improvements	(2,782,530)	(215,694)	2	(2,998,222)
Equipment and Fixtures	(5,021,333)	(366,112)	195,266	(5,192,179)
Paving, Sidewalks and Streets	(11,746,802)	(549,007)	-	(12,295,809)
Parks Development	(2,735,948)	(79,596)	-	(2,815,544)
Airport Improvements	(623,499)	(9,363)	-	(632,862)
Total accumulated depreciation	<u>(22,910,112)</u>	<u>(1,219,772)</u>	<u>195,268</u>	<u>(23,934,616)</u>
Total capital assets being depreciated, net	<u>11,228,669</u>	<u>(378,176)</u>	<u>1</u>	<u>10,850,492</u>
Governmental activities capital assets, net	<u>\$ 11,704,673</u>	<u>\$ (378,176)</u>	<u>\$ 1</u>	<u>\$ 11,326,496</u>

NOTE 6 CAPITAL ASSETS: (CONTINUED)

	Balance October 1, 2017	Additions	Retirements/ Adjustments	Balance September 30, 2018
Business-type Activities:				
Capital assets not being depreciated				
Land	\$ 694,222	\$ -	\$ -	\$ 694,222
Water Service Contract Rights	<u>20,645,000</u>	<u>-</u>	<u>655,000</u>	<u>19,990,000</u>
	<u>21,339,222</u>	<u>-</u>	<u>655,000</u>	<u>20,684,222</u>
Capital assets being depreciated				
Building and Improvements	507,925	-	-	507,925
Equipment and Fixtures	2,576,132	32,064	1	2,608,195
Electrical System	5,946,207	213,573	1	6,159,779
Water System	12,472,839	168,031	-	12,640,870
Sewer System	<u>9,853,842</u>	<u>147,090</u>	<u>-</u>	<u>10,000,932</u>
Total capital assets being depreciated	<u>31,356,945</u>	<u>560,758</u>	<u>2</u>	<u>31,917,701</u>
Less accumulated depreciation for:				
Building and Improvements	(223,376)	(11,492)	-	(234,868)
Equipment and Fixtures	(2,088,742)	(105,599)	-	(2,194,341)
Electrical System	(1,854,789)	(92,981)	-	(1,947,770)
Water System	(2,853,462)	(188,347)	-	(3,041,809)
Sewer System	<u>(3,117,203)</u>	<u>(148,920)</u>	<u>-</u>	<u>(3,266,123)</u>
Total accumulated depreciation	<u>(10,137,572)</u>	<u>(547,339)</u>	<u>-</u>	<u>(10,684,911)</u>
Total capital assets being depreciated, net	<u>21,219,373</u>	<u>13,419</u>	<u>2</u>	<u>21,232,790</u>
Business-type activities capital assets, net	<u>\$ 42,558,595</u>	<u>\$ 13,419</u>	<u>\$ 655,002</u>	<u>\$ 41,917,012</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 2018, net interest costs were not capitalized because interest expenditures related to constructed assets net of related interest revenue were not material.

NOTE 6 CAPITAL ASSETS: (CONTINUED)

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

Governmental Activities		
Administrative		\$ 51,953
Sanitation		120
Fire		46,250
Police		140,290
Paving and street		666,153
Parks and recreation		168,416
Library		132,712
Garage		13,878
Governmental Activities		<u>\$ 1,219,772</u>
Business-type activities		
Electric, Water and Street		\$ 547,339

The City's had no active construction projects as of September 30, 2018, but has plans for spending up to \$590,000 for street and \$4,900,000 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. 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 28 years remaining.

Employees covered by benefit terms at the December 31, 2017 valuation and measurement date are as follows:

Inactive employees or beneficiaries currently receiving benefits	37
Inactive employees entitled to but not yet receiving benefits	12
Active employees	<u>83</u>
Total	<u>132</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, 2018, were \$666,805, and were equal to the required contributions.

Net Pension Liability

The City's Net Pension Liability (NPL) was measured as of December 31, 2017 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, 2017 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 RP2000 Disabled Retiree Mortality Table is used, with slight adjustments.

NOTE 7 PENSION PLAN: (CONTINUED)

Actuarial assumptions used in the December 31, 2017 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 2017 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:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
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	5.0%	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 12/31/16	\$ 25,782,079	\$ 21,596,987	\$ 4,185,092
Changes for the year:			
Service cost	651,578	-	651,578
Interest	1,724,891	-	1,724,891
Change of benefit terms	-	-	-
Difference between expected and actual experience	(679,286)	-	(679,286)
Changes in assumptions	-	-	-
Contributions - Employer	-	678,848	(678,848)
Contributions - Employee	-	289,223	(289,223)
Net Investment Income	-	2,992,833	(2,992,833)
Benefit payments, including refunds of employee contributions	(1,107,858)	(1,107,858)	-
Administrative expense	-	(15,512)	15,512
Other changes	-	(786)	786
Net changes	589,325	2,836,748	(2,247,423)
Balance at 12/31/17	<u>\$ 26,371,404</u>	<u>\$ 24,433,735</u>	<u>\$ 1,937,669</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:

	1% Decrease 5.75%	Current Single Rate Assumption 6.75%	1% Increase 7.75%
City's net pension liability	\$ 5,504,033	\$ 1,937,669	\$ (1,005,744)

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 and Inflows of Resources Related to Pensions

For the year ended September 30, 2018, the City recognized pension expense of \$514,879. At September 30, 2018, 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	\$ 33,293	\$ -
Difference between expected and actual experience	-	1,212,820
Contributions subsequent to the measurement date (December 31, 2017)	524,492	-
Total	<u>\$ 557,785</u>	<u>\$ 1,212,820</u>

NOTE 7 PENSION PLAN: (CONTINUED)

\$524,492 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date of the net pension liability but before the end of the City's fiscal year will be recognized as a reduction of the net pension liability for the year ending September 30, 2019 rather than in the current fiscal year end. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

	Net deferred outflows (inflows) of resources
2018	\$ (86,338)
2019	(143,826)
2020	(428,144)
2021	(408,968)
2022	<u>(112,251)</u>
Total	<u><u>\$ (1,179,527)</u></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 single-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. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

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 (OPEB) and is a fixed amount of \$7,500. The number of employees covered is as follows:

Inactive employees currently receiving benefits	25
Inactive employees entitled to but not yet receiving benefits	4
Active employees	<u>83</u>
Total	<u>112</u>

NOTE 8 SUPPLEMENTAL DEATH BENEFITS: (Continued)Significant assumptions

The actuarial assumptions used in the December 31, 2017 valuation were based on the results of an actuarial experience study for the period December 31, 2010 to December 31, 2014. The OPEB liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year
Overall payroll growth	3.5% to 10.5% including inflation
Discount rate*	3.31%
Retirees' share of benefit-related costs	\$0
Administrative expenses	All administrative expenses are paid through the Pension Trust and accounted for under reporting requirements under GASB Statement No. 68.
Mortality rates - service retirees	RP 2000 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.
Mortality rates - disabled retirees	RP 2000 Combined Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% with a 3 year set-forward for both males and females. The rates are projected on a fully generational basis with scale BB to account for future mortality improvements subject to the 3% floor.

*The discount rate was based on the Fidelity Index's "20-Year Municipal GO AA Index" rate as of December 31, 2017.

<u>Changes in OPEB Liability</u>	<u>Total OPEB Liability</u>
Balance at 12/31/16	\$ 186,826
Changes for the year:	
Service cost	6,611
Interest	7,148
Change of benefit terms	-
Difference between expected and actual experience	-
Changes in assumptions	16,687
Benefit payments	(2,066)
Net changes	28,380
Balance at 12/31/17	\$ 215,206

NOTE 8 SUPPLEMENTAL DEATH BENEFITS: (Continued)Death Benefit Insurance Expense and Deferred Outflows of Resources Related to OPEB

For the year ended September 30, 2018, the City recognized death benefit insurance expense of \$28,380. At September 30, 2018, the City reported deferred outflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>
Difference between actual experience and assumptions	\$ 14,401
Difference between expected and actual experience	-
Contributions subsequent to the measurement date (December 31, 2017)	<u>7,374</u>
Total	<u>\$ 21,775</u>

\$7,374 reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date of the OPEB liability but before the end of the City's fiscal year will be recognized as a reduction of the OPEB liability for the year ending September 30, 2019 rather than in the current fiscal year end. Other amounts reported as deferred outflows of resources related to OPEB will be recognized in death benefit insurance expense as follows:

	<u>Net deferred outflows of resources</u>
2018	\$ 2,286
2019	2,286
2020	2,286
2021	2,286
2022	2,286
Thereafter	<u>2,971</u>
Total	<u>\$ 14,401</u>

Contributions

Contributions are made monthly based on the covered payroll of employee members. The rate for 2017 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, 2018, 2017, and 2016 were \$10,483, \$10,048, and \$10,187, respectively, which equaled the required contributions each year.

NOTE 9 LONG-TERM DEBT:

The following is a summary of bonds payable of the City for the year ended September 30, 2018:

	<u>Governmental-Type Activities</u>
\$6,000,000 Certificates of Obligation, Series 2012, library and water system improvements, due in annual installments of \$50,000 to \$395,000 through 2037, interest at 2.00% to 4.00% to be paid from taxes and subordinated pledge of the net revenues of Proprietary Fund	\$ 5,700,000
Total Bonds Payable	\$ 5,700,000

Changes in Outstanding Debt-

	Balance October 1, 2017	Payments or Expenditures	Balance September 30, 2018	Due Within One Year
<u>Governmental Type Activities</u>				
General Obligation Bonds	\$ 490,000	\$ 490,000	\$ -	\$ -
Certificates of Obligation	<u>5,750,000</u>	<u>50,000</u>	<u>5,700,000</u>	<u>220,000</u>
Total government	<u>\$ 6,240,000</u>	<u>\$ 540,000</u>	<u>\$ 5,700,000</u>	<u>\$ 220,000</u>

Certificates of Obligation-

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 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)**Annual Requirements to Retire Debt Obligations-**

The annual aggregate maturities for certificates of obligation for the years subsequent to September 30, 2018, are as follows:

<u>Certificates of Obligation</u> Year Ending Sept. 30,	Governmental Activities		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	250,000	157,410	407,410
2024-2037	<u>4,520,000</u>	<u>1,197,075</u>	<u>5,717,075</u>
Total	<u>\$ 5,700,000</u>	<u>\$ 2,062,170</u>	<u>\$ 7,762,170</u>

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

NOTE 10 RAW WATER SUPPLY CONTRACT:

On February 22, 1978, the City entered into a contract with the Trinity River Authority of Texas (TRA) to purchase from the TRA amounts of raw water impounded in the Livingston Reservoir. The City is obligated to pay an annual standby charge on or before the 10th day of each February and August, beginning August, 1978. Annual standby charges are calculated by multiplying the equivalent of the current annual average daily amount TRA is obligated to sell to the City by the TRA's rates for sale of raw water to municipalities. The annual average daily amounts of raw water that TRA is obligated to sell to the City is 5.0 MGD through 2020.

NOTE 11 WATER SYSTEM SERVICE CONTRACT:

On February 22, 1978, the City also entered into a water system service contract with the TRA whereby, the TRA agreed to pay all the actual costs of acquiring, by purchase or construction, through the issuance of bonds, a water supply and treatment system to render water supply and treatment services to the inhabitants of the City. Although the TRA is to retain title, the City shall have the exclusive use of the entire project throughout its natural life.

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

NOTE 11 WATER SYSTEM SERVICE CONTRACT: (Continued)

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, 2018, 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>
2019	1,582,663
2020	1,577,412
2021	1,580,713
2022	1,577,625
2023	1,578,537
2024-2038	<u>23,370,775</u>
Total	<u>\$ 31,267,725</u>

Changes in Long-term Contracts Payable-

<u>Business Type Activities</u>	<u>Balance October 1, 2016</u>	<u>Issues or Additions</u>	<u>Payments or Expenditures</u>	<u>Balance September 30, 2017</u>	<u>Due Within One Year</u>
Contracts payable	\$ 20,645,000	\$ -	\$ 655,000	\$ 19,990,000	\$ 675,000
Total business	\$ 20,645,000	\$ -	\$ 655,000	\$ 19,990,000	\$ 675,000

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.

NOTE 12 ENERGY AND POWER CONTRACT: (CONTINUED)

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 approximately \$2,667,000 (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 approximately \$487,000.

NOTE 13 RELATED PARTY TRANSACTIONS:

The City of Livingston maintains its bank accounts at two local banks. Certain members of the City Council are 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, 2018 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 \$54,000 in federal and local grants in 2018 principally related to fire department operations. These amounts are included in miscellaneous income for the general fund.

NOTE 16 RISK MANAGEMENT:

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

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

NOTE 17 SANITATION DEPARTMENT CONTRACT:

The City's contract with Santek Waste Services is for a five-year period to operate its sanitation department and expires in 2023. 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.

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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)

	2014	2015	2016	2017
Total pension liability				
Service Cost	\$ 496,383	\$ 568,239	\$ 621,499	\$ 651,578
Interest (on the Total Pension Liability)	1,523,437	1,617,245	1,636,121	1,724,891
Changes of benefit terms	-	-	-	-
Difference between expected and actual experience	117,800	(214,821)	69,229	(679,286)
Change of assumptions	-	69,611	-	-
Benefit payments, including refunds of employee contributions	(749,395)	(917,464)	(945,709)	(1,107,858)
Net Change in Total Pension Liability	1,388,225	1,122,810	1,381,140	589,325
Total Pension Liability - Beginning	<u>21,889,894</u>	<u>23,278,119</u>	<u>24,400,929</u>	<u>25,782,079</u>
Total Pension Liability - Ending	<u>\$ 23,278,119</u>	<u>\$ 24,400,929</u>	<u>\$ 25,782,069</u>	<u>\$ 26,371,404</u>
Plan Fiduciary Net Position				
Contributions Employer	\$ 624,014	\$ 629,618	\$ 628,150	\$ 678,848
Contributions Employee	255,893	263,597	273,960	289,223
Net Investment Income	1,092,015	29,953	1,371,056	2,992,834
Benefit payments, including refunds of employee contributions	(749,395)	(917,464)	(945,709)	(1,107,858)
Administrative Expense	(11,401)	(18,244)	(15,483)	(15,512)
Other	(937)	(902)	(834)	(787)
Net Change in Plan Fiduciary Net Position	1,210,189	(13,442)	1,311,140	2,836,748
Plan Fiduciary Net Position - Beginning	<u>19,089,100</u>	<u>20,299,289</u>	<u>20,285,847</u>	<u>21,596,987</u>
Plan Fiduciary Net Position - Ending	<u>\$ 20,299,289</u>	<u>\$ 20,285,847</u>	<u>\$ 21,596,987</u>	<u>\$ 24,433,735</u>
Net Pension Liability - Ending	<u>\$ 2,978,830</u>	<u>\$ 4,115,082</u>	<u>\$ 4,185,082</u>	<u>\$ 1,937,669</u>
Plan Fiduciary Net Position as a percentage of Total Pension Liability	87.20%	83.14%	83.77%	92.65%
Covered Payroll	\$ 3,655,618	\$ 3,765,664	\$ 3,913,719	\$ 4,131,759
Net Pension Liability as a Percentage of Covered Payroll	81.49%	109.28%	106.93%	46.90%

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)

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Actuarially Determined Contribution	\$ 629,618	\$ 629,618	\$ 628,150	\$ 678,848
Contributions in relation to the actuarially determined contribution	<u>629,618</u>	<u>629,618</u>	<u>628,150</u>	<u>678,848</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 3,962,286	\$ 4,093,657	\$ 4,174,523	\$ 4,388,762
Contributions as a percentage of covered employee payroll	15.89%	15.38%	15.05%	15.47%

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	28 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.

CITY OF LIVINGSTON, TEXAS
REQUIRED SUPPLEMENTAL INFORMATION-TEXAS MUNICIPAL RETIREMENT SYSTEM
SCHEDULE OF CHANGES IN TOTAL OTHER POSTEMPLOYMENT BENEFITS
(OPEB AND RELATED RATIOS)

Last Ten Fiscal Years
(For the years available)

2017

Total OPEB liability

Service Cost	\$ 6,611
Interest	7,148
Changes of benefit terms	-
Difference between expected and actual experience	-
Change of assumptions	16,687
Benefit Payments	<u>(2,066)</u>

Net Change in OPEB Liability 28,380

Total OPEB Liability - Beginning 186,826

Total OPEB Liability - Ending \$ 215,206

Covered Payroll \$ 4,131,759

**Total OPEB Liability as a Percentage of
Covered Payroll** 5.21%

Notes to Schedule

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75 to pay related benefits.

Valuation Date:
Actuarially determined contribution rates are calculated as of December 31.

Factors that significantly affect trends in the amounts reported:

Inflation	2.50%
Salary Increases	3.5% to 10.5% including inflation
Discount rate*	3.31%
Retirees' share of benefit related costs	\$0
Administrative expenses	All administrative expenses are paid through the Pension Trust and accounted for under reporting requirements under GASB Statement No. 68.
Mortality rates - service retirees	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
Mortality	RP2000 Combined Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% with a 3 year set-forward for both males and females. The rates are projected on a fully generational basis with scale BB to account for future mortality improvements subject to the 3% floor.

* The discount rate was based on the Fidelity Index's "20-Year Municipal GO AA Index" rate as of December 31, 2017.

See Independent auditor's report.

OTHER SUPPLEMENTARY INFORMATION

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

CITY OF LIVINGSTON, TEXAS
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Budgeted Amounts GAAP Basis		
	Original	Revisions	Final
REVENUES			
Miscellaneous	\$ -	\$ -	\$ -
Total Revenues	- -	- -	- -
EXPENDITURES			
Debt service:			
Principal retirement	540,000	-	540,000
Interest	197,100	-	197,100
Total Expenditures	737,100	-	737,100
Excess (deficiency) of revenues over expenditures	(737,100)	-	(737,100)
OTHER FINANCING SOURCES (USES)			
Transfers in	724,525	2	724,527
Total other financing sources	724,525	2	724,527
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	\$ (12,575)	\$ 2	\$ (12,573)
Fund balances at beginning of year			
Fund balance at end of year			

Actual	Variance with Final Budget Positive (Negative)
\$ 561	\$ 561
<u>561</u>	<u>561</u>
540,000	-
<u>197,100</u>	<u>-</u>
<u>737,100</u>	<u>-</u>
(736,539)	561
731,944	7,417
<u>731,944</u>	<u>7,417</u>
(4,595)	\$ 7,978
<u>14,443</u>	
\$ 9,848	

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INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

GENERAL FUND

CITY OF LIVINGSTON, TEXAS
GENERAL FUND - COMPARATIVE BALANCE SHEET
SEPTEMBER 30, 2018 AND 2017

ASSETS

	2018	2017
Cash	\$ 2,142,496	\$ 1,913,082
Receivables:		
Returned checks receivable	3,677	3,463
Paving accounts receivable	<u>23,103</u>	<u>25,250</u>
Total Assets	<u>\$ 2,169,276</u>	<u>\$ 1,941,795</u>

LIABILITIES AND FUND BALANCES

LIABILITIES

Accounts payable	\$ 208,935	\$ 571,119
Total Liabilities	<u>208,935</u>	<u>571,119</u>

FUND BALANCES

Restricted for library memorials	13,475	14,497
Unassigned	<u>1,946,866</u>	<u>1,356,179</u>
Total Fund Balances	<u>1,960,341</u>	<u>1,370,676</u>
Total Liabilities and Fund Balances	<u>\$ 2,169,276</u>	<u>\$ 1,941,795</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, 2018
WITH COMPARATIVE ACTUAL TOTALS FOR 2017

	Budgeted Amounts GAAP Basis			
	Original	Revisions	Final	Actual
REVENUES				
Taxes:				
Sales taxes	\$ 3,531,000	\$ 257,535	\$ 3,788,535	\$ 4,055,937
Franchise taxes	112,000	-	112,000	115,006
Hotel/Motel taxes	300,000	35,000	335,000	362,937
Licenses and permits	46,500	34,000	80,500	62,259
Charges for service	1,389,761	31,924	1,421,685	1,440,739
Fines and forfeitures	377,022	(50,022)	327,000	370,040
Miscellaneous	80,175	11,413	91,588	20,528
Total Revenues	<u>5,836,458</u>	<u>319,850</u>	<u>6,156,308</u>	<u>6,427,446</u>
EXPENDITURES				
Administrative	712,100	(31,200)	680,900	562,507
Sanitation	745,000	(40,000)	705,000	764,023
Fire	564,950	364,050	929,000	517,846
Police	2,315,800	12,200	2,328,000	2,285,098
Paving and street	1,295,700	(359,400)	936,300	878,952
Parks and recreation	1,140,850	191,275	1,332,125	1,283,801
Library	432,350	44,450	476,800	489,709
Garage	360,300	(115,300)	245,000	249,245
Total Expenditures	<u>7,567,050</u>	<u>66,075</u>	<u>7,633,125</u>	<u>7,031,181</u>
Excess of revenues over (under) expenditures	<u>(1,730,592)</u>	<u>253,775</u>	<u>(1,476,817)</u>	<u>(603,735)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	2,515,617	(486,388)	2,029,229	1,925,344
Transfers out	(724,525)	(2)	(724,527)	(731,944)
Total other financing sources (uses)	<u>1,791,092</u>	<u>(486,390)</u>	<u>1,304,702</u>	<u>1,193,400</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	<u>\$ 60,500</u>	<u>\$ (232,615)</u>	<u>\$ (172,115)</u>	<u>589,665</u>
Fund balances at beginning of year				<u>1,370,676</u>
Fund balances at end of year				<u>\$ 1,960,341</u>

Variance With Final Budget Positive (Negative)	2017 Actual
\$ 267,402	\$ 3,759,664
3,006	128,601
27,937	316,075
(18,241)	108,801
19,054	1,436,597
43,040	324,687
(71,060)	125,297
<u>271,138</u>	<u>6,199,722</u>
118,393	603,605
(59,023)	740,126
411,154	461,063
42,902	2,156,166
57,348	1,083,154
48,324	1,045,903
(12,909)	405,867
(4,245)	234,152
<u>601,944</u>	<u>6,730,036</u>
<u>873,082</u>	<u>(530,314)</u>
(103,885)	822,556
(7,417)	(1,295,093)
<u>(111,302)</u>	<u>(472,537)</u>
\$ 761,780	(1,002,851)
	<u>2,373,527</u>
\$ 1,370,676	

CITY OF LIVINGSTON, TEXAS
GENERAL FUND
SCHEDULE OF EXPENDITURES-BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2018
WITH COMPARATIVE ACTUAL TOTALS FOR 2017

	Budgeted Amounts GAAP Basis			
	Original	Revisions	Final	Actual
ADMINISTRATIVE DEPARTMENT				
Salaries	\$ 190,000	\$ (12,000)	\$ 178,000	\$ 181,826
Social Security	15,000	(1,000)	14,000	13,910
Retirement	101,000	(7,000)	94,000	24,071
Employee insurance	89,000	14,000	103,000	27,821
Insurance and bonds	13,000	(2,000)	11,000	9,180
Legal and professional	20,000	(4,000)	16,000	14,578
Auditing and accounting	13,500	(300)	13,200	13,167
Supplies	25,000	(5,000)	20,000	29,461
Repairs-building and grounds	35,000	(15,000)	20,000	11,486
Equipment repairs and maintenance	13,000	-	13,000	16,686
Gas and oil	2,200	-	2,200	2,211
Utility/telephone	14,000	4,000	18,000	12,250
Dues and subscriptions	12,000	-	12,000	12,511
Building demolitions	10,000	(9,000)	1,000	6,776
Transportation and contingency	95,000	(5,000)	90,000	99,081
Postage and miscellaneous	<u>20,400</u>	<u>(4,900)</u>	<u>15,500</u>	<u>14,151</u>
	668,100	(47,200)	620,900	489,166
Capital expenditures	<u>44,000</u>	<u>16,000</u>	<u>60,000</u>	<u>73,341</u>
Total Administrative	<u>712,100</u>	<u>(31,200)</u>	<u>680,900</u>	<u>562,507</u>
SANITATION DEPARTMENT				
Supplies	65,000	-	65,000	64,263
Refuse disposal/landfills	<u>680,000</u>	<u>(40,000)</u>	<u>640,000</u>	<u>699,760</u>
Total Sanitation	<u>745,000</u>	<u>(40,000)</u>	<u>705,000</u>	<u>764,023</u>

Variance With Final Budget Positive (Negative)	2017 Actual
\$ (3,826)	\$ 173,964
90	13,407
69,929	76,333
75,179	64,322
1,820	8,410
1,422	21,718
33	13,267
(9,461)	22,794
8,514	37,416
(3,686)	15,965
(11)	2,104
5,750	13,145
(511)	11,462
(5,776)	6,650
(9,081)	91,774
1,349	6,505
<hr/>	<hr/>
131,734	579,236
(13,341)	24,369
<hr/>	<hr/>
118,393	603,605
<hr/>	<hr/>
737	61,255
(59,760)	678,871
<hr/>	<hr/>
(59,023)	740,126

CITY OF LIVINGSTON, TEXAS
GENERAL FUND
SCHEDULE OF EXPENDITURES-BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2018
WITH COMPARATIVE ACTUAL TOTALS FOR 2017

	Budgeted Amounts GAAP Basis			Actual
	Original	Revisions	Final	
FIRE DEPARTMENT				
Salaries	180,000	(6,000)	174,000	191,358
Salaries, administration	43,000	-	43,000	9,000
Social Security	11,000	2,000	13,000	12,009
Retirement	23,700	(2,700)	21,000	24,666
Employee insurance	33,000	(7,000)	26,000	27,207
Insurance and bonds	31,000	(2,000)	29,000	30,442
Recruitment costs	1,500	(1,500)	-	-
Supplies	37,000	(3,000)	34,000	43,154
Repairs-building and grounds	1,500	500	2,000	2,190
Equipment repairs and maintenance	50,000	10,000	60,000	68,701
Gas and oil	7,000	(2,000)	5,000	6,857
Utility/telephone	12,500	7,500	20,000	19,395
Dues and subscriptions	3,000	(2,000)	1,000	1,783
Transportation and contingency	12,000	(2,000)	10,000	8,853
Maintenance contribution	22,850	150	23,000	22,319
Postage and miscellaneous	3,900	(1,900)	2,000	2,427
	472,950	(9,950)	463,000	470,361
Capital expenditures	92,000	374,000	466,000	47,485
Total Fire	564,950	364,050	929,000	517,846
POLICE DEPARTMENT				
Salaries	1,320,000	(28,000)	1,292,000	1,326,009
Salaries, administration	43,000	-	43,000	9,000
Social Security	101,000	(2,000)	99,000	103,408
Retirement	216,000	31,000	247,000	209,092
Employee insurance	247,000	24,000	271,000	242,409
Uniforms	3,800	(300)	3,500	2,536
Insurance and bonds	61,000	-	61,000	54,469
Supplies	25,000	1,000	26,000	40,545
Repairs-building and grounds	15,000	-	15,000	13,851
Equipment repairs and maintenance	47,500	2,500	50,000	51,745
Gas and oil	33,000	5,000	38,000	46,142
Utility/telephone	15,500	5,500	21,000	22,185
Dues and subscriptions	9,000	1,000	10,000	9,780
Transportation and contingency	31,500	(13,500)	18,000	26,727
Postage and miscellaneous	42,500	(19,000)	23,500	24,946
	2,210,800	7,200	2,218,000	2,182,844
Capital expenditures	105,000	5,000	110,000	102,254
Total Police	2,315,800	12,200	2,328,000	2,285,098

Variance With Final Budget Positive (Negative)	2017 Actual
(17,358)	152,362
34,000	32,246
991	10,864
(3,666)	17,530
(1,207)	19,240
(1,442)	28,320
-	-
(9,154)	48,330
(190)	0
(8,701)	57,869
(1,857)	8,009
605	14,488
(783)	2,651
1,147	13,039
681	22,356
(427)	2,626
<hr/>	<hr/>
(7,361)	429,930
<u>418,515</u>	<u>31,133</u>
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411,154	461,063
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(34,009)	1,214,292
34,000	32,246
(4,408)	97,032
37,908	207,294
28,591	199,776
964	1,967
6,531	50,279
(14,545)	22,268
1,149	61,361
(1,745)	51,651
(8,142)	41,423
(1,185)	14,924
220	7,853
(8,727)	30,201
(1,446)	27,321
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35,156	2,059,888
<u>7,746</u>	<u>96,278</u>
<hr/>	<hr/>
42,902	2,156,166

CITY OF LIVINGSTON, TEXAS
GENERAL FUND
SCHEDULE OF EXPENDITURES-BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2018
WITH COMPARATIVE ACTUAL TOTALS FOR 2017

	Budgeted Amounts GAAP Basis			Actual
	Original	Revisions	Final	
PAVING AND STREET DEPARTMENT				
Salaries	298,000	-	298,000	317,925
Salaries, administration	43,000	-	43,000	9,000
Social Security	23,000	-	23,000	25,010
Retirement	49,000	(11,000)	38,000	50,743
Employee insurance	78,200	(9,200)	69,000	78,462
Uniforms	5,200	300	5,500	5,679
Insurance and bonds	29,000	1,000	30,000	31,519
Supplies	22,000	-	22,000	25,449
Repairs-building and grounds	12,000	-	12,000	15,015
Equipment repairs and maintenance	50,000	15,000	65,000	93,095
Gas and oil	22,000	(4,000)	18,000	22,398
Transit system	4,200	-	4,200	4,200
Transportation and contingency	10,100	(1,500)	8,600	3,763
	645,700	(9,400)	636,300	682,258
Capital expenditures	650,000	(350,000)	300,000	196,694
Total Paving and Street	1,295,700	(359,400)	936,300	878,952
PARKS AND RECREATION DEPARTMENT				
Salaries	414,000	-	414,000	446,612
Salaries, administration	86,000	-	86,000	18,000
Social Security	33,000	(1,000)	32,000	35,543
Retirement	60,000	23,000	83,000	64,348
Employee insurance	100,000	(2,000)	98,000	93,255
Uniforms	4,700	(200)	4,500	5,962
Insurance and bonds	17,600	3,400	21,000	20,229
Advertising, hotel tax	75,000	(17,000)	58,000	57,885
Supplies	50,000	4,000	54,000	68,296
Repairs-building and grounds	22,000	(8,000)	14,000	41,004
Equipment repairs and maintenance	26,200	(4,200)	22,000	29,605
Gas and oil	34,100	16,900	51,000	54,705
Utility/telephone	17,850	(850)	17,000	16,740
Dues and subscriptions	350	1,000	1,350	821
Transportation and contingency	3,100	400	3,500	4,251
Programming costs	2,000	-	2,000	1,037
Postage and miscellaneous	2,950	(175)	2,775	2,788
	948,850	15,275	964,125	961,081
Capital expenditures	192,000	176,000	368,000	322,720
Total Parks and Recreation	1,140,850	191,275	1,332,125	1,283,801

Variance With Final Budget Positive (Negative)	2017 Actual
(19,925)	262,331
34,000	32,246
(2,010)	22,514
(12,743)	44,485
(9,462)	54,403
(179)	6,643
(1,519)	27,740
(3,449)	41,158
(3,015)	12,149
(28,095)	58,392
(4,398)	22,311
-	4,200
4,837	3,200
(45,958)	591,772
103,306	491,382
57,348	1,083,154
(32,612)	414,936
68,000	64,492
(3,543)	36,548
18,652	60,721
4,745	82,344
(1,462)	6,531
771	22,898
115	54,767
(14,296)	60,716
(27,004)	23,187
(7,605)	35,149
(3,705)	48,298
260	13,559
529	140
(751)	2,791
963	1,734
(13)	3,002
3,044	931,813
45,280	114,090
48,324	1,045,903

CITY OF LIVINGSTON, TEXAS
GENERAL FUND
SCHEDULE OF EXPENDITURES-BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2018
WITH COMPARATIVE ACTUAL TOTALS FOR 2017

	Budgeted Amounts GAAP Basis			
	Original	Revisions	Final	Actual
LIBRARY DEPARTMENT				
Salaries	187,000	-	187,000	207,826
Salaries, administration	43,000	-	43,000	9,000
Social Security	15,000	-	15,000	16,587
Retirement	31,000	1,000	32,000	33,769
Employee insurance	51,000	(2,000)	49,000	50,657
Insurance and bonds	5,700	300	6,000	6,502
Supplies	15,000	(2,000)	13,000	16,575
Repairs-building and grounds	18,000	(3,000)	15,000	21,177
Equipment repairs and maintenance	8,500	1,500	10,000	9,133
Utility/telephone	9,500	(1,000)	8,500	8,964
Dues and subscriptions	4,000	1,500	5,500	5,821
Transportation and contingency	2,000	800	2,800	2,575
Postage and printing	<u>7,650</u>	<u>(3,650)</u>	<u>4,000</u>	<u>7,127</u>
	397,350	(6,550)	390,800	395,713
Memorial capital	5,000	1,000	6,000	4,473
Capital expenditures	<u>30,000</u>	<u>50,000</u>	<u>80,000</u>	<u>89,523</u>
Total Library	<u>432,350</u>	<u>44,450</u>	<u>476,800</u>	<u>489,709</u>
GARAGE DEPARTMENT				
Salaries	115,000	-	115,000	145,178
Salaries, administration	43,000	-	43,000	9,000
Social Security	8,800	200	9,000	11,795
Retirement	19,000	2,000	21,000	24,282
Employee insurance	21,000	2,000	23,000	25,920
Uniforms	1,400	300	1,700	1,683
Insurance and bonds	8,300	(300)	8,000	8,629
Supplies	6,000	1,300	7,300	7,839
Repairs-building and grounds	1,000	1,700	2,700	1,966
Equipment repairs and maintenance	5,500	(200)	5,300	4,511
Gas and oil	1,000	200	1,200	1,275
Utility/telephone	<u>5,150</u>	<u>650</u>	<u>5,800</u>	<u>5,564</u>
	235,150	7,850	243,000	247,642
Capital expenditures	<u>125,150</u>	<u>(123,150)</u>	<u>2,000</u>	<u>1,603</u>
Total Garage	<u>360,300</u>	<u>(115,300)</u>	<u>245,000</u>	<u>249,245</u>
TOTAL GENERAL EXPENDITURES	<u>\$ 7,567,050</u>	<u>\$ 66,075</u>	<u>\$ 7,633,125</u>	<u>\$ 7,031,181</u>

Variance With Final Budget Positive (Negative)	2017 Actual
(20,826)	179,459
34,000	32,246
(1,587)	16,132
(1,769)	30,416
(1,657)	42,947
(502)	5,987
(3,575)	18,162
(6,177)	18,041
867	9,825
(464)	6,750
(321)	4,069
225	1,004
(3,127)	5,659
<hr/>	<hr/>
(4,913)	370,697
<hr/>	<hr/>
1,527	11,956
(9,523)	23,214
<hr/>	<hr/>
(12,909)	405,867
<hr/>	<hr/>
(30,178)	110,338
34,000	32,246
(2,795)	10,844
(3,282)	18,667
(2,920)	17,182
17	1,855
(629)	8,013
(539)	6,779
734	1,149
789	5,526
(75)	1,029
236	5,695
<hr/>	<hr/>
(4,642)	219,323
397	14,829
<hr/>	<hr/>
(4,245)	234,152
<hr/>	<hr/>
\$ 601,944	\$ 6,730,036

DEBT SERVICE FUND

CITY OF LIVINGSTON, TEXAS
DEBT SERVICE FUND - COMPARATIVE BALANCE SHEET
SEPTEMBER 30, 2018 AND 2017

ASSETS

	2018	2017
Cash	\$ 9,848	\$ 14,443
Total Assets	<u>\$ 9,848</u>	<u>\$ 14,443</u>

FUND BALANCES

Restricted for debt service	\$ 9,848	\$ 14,443
Total Fund Balance	<u>\$ 9,848</u>	<u>\$ 14,443</u>

CITY OF LIVINGSTON, TEXAS
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2018
WITH COMPARATIVE ACTUAL TOTALS FOR 2017

	Budgeted Amounts GAAP Basis		
	Original	Revisions	Final
REVENUES			
Miscellaneous	\$ -	\$ -	\$ -
Total Revenues	- - - -	- - - -	- - - -
EXPENDITURES			
Debt service:			
Principal retirement	540,000	-	540,000
Interest	197,100	-	197,100
Total Expenditures	737,100	- - - -	737,100
Excess (deficiency) of revenues over expenditures	(737,100)	- - - -	(737,100)
OTHER FINANCING SOURCES (USES)			
Transfers in	724,525	2	724,527
Total other financing sources	724,525	2	724,527
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	\$ (12,575)	\$ 2	\$ (12,573)
Fund balances at beginning of year			
Fund balance at end of year			

Actual	Variance with Final Budget Positive (Negative)	2017
\$ 561	\$ 561	\$ 1,038
<u>561</u>	<u>561</u>	<u>1,038</u>
540,000	-	1,070,000
197,100	-	225,050
<u>737,100</u>	<u>-</u>	<u>1,295,050</u>
(736,539)	561	(1,294,012)
731,944	(7,417)	1,295,093
<u>731,944</u>	<u>7,417</u>	<u>1,295,093</u>
(4,595)	\$ 7,978	1,081
<u>14,443</u>		<u>13,362</u>
\$ 9,848		\$ 14,443

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PROPRIETARY FUND

CITY OF LIVINGSTON, TEXAS
COMPARATIVE STATEMENT OF NET POSITION
ELECTRIC, WATER AND SEWER FUND
SEPTEMBER 30, 2018 AND 2017

	2018	2017
ASSETS		
Current assets:		
Cash	\$ 16,910,976	\$ 15,988,638
Certificates of deposit	1,500,000	1,500,000
Restricted assets		
Cash in bank, water and sewer system improvements	62,137	61,954
Cash in bank, reserve fund	735,756	410,299
Receivables:		
Returned checks receivable	34,260	31,656
Utility accounts receivable	<u>1,670,378</u>	<u>1,757,508</u>
	<u>20,913,507</u>	<u>19,750,055</u>
Noncurrent assets:		
Capital assets:		
Land	694,222	694,222
Building and improvements	507,925	507,925
Equipment and fixtures	2,608,195	2,576,132
Electrical system	6,159,780	5,946,207
Water system	12,640,870	12,472,839
Sewer system	10,000,931	9,853,842
Water service contract rights	<u>19,990,000</u>	<u>20,645,000</u>
	<u>52,601,923</u>	<u>52,696,167</u>
Less accumulated depreciation	<u>(10,684,911)</u>	<u>(10,137,572)</u>
	<u>41,917,012</u>	<u>42,558,595</u>
Total assets	<u>62,830,519</u>	<u>62,308,650</u>
Deferred outflows of resources:		
Amounts related to pensions		
Contributions after December 31, 2015 and 2014	186,017	165,221
Difference in actual experience and assumptions	<u>11,357</u>	<u>286,697</u>
	<u>197,374</u>	<u>451,918</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 63,027,893</u>	<u>\$ 62,760,568</u>

CITY OF LIVINGSTON, TEXAS
COMPARATIVE STATEMENT OF NET POSITION
ELECTRIC, WATER AND SEWER FUND
SEPTEMBER 30, 2018 AND 2017

LIABILITIES	2018	2017
Current liabilities:		
Accounts payable	\$ 966,901	\$ 1,165,173
Meter deposits	567,578	556,312
Contracts payable-Trinity River Authority	675,000	655,000
Total current liabilities	<u>2,209,479</u>	<u>2,376,485</u>
Noncurrent liabilities:		
Net pension liability	660,995	1,402,147
Contracts payable-Trinity River Authority	<u>19,315,000</u>	<u>19,990,000</u>
Total noncurrent liabilities	<u>19,975,995</u>	<u>21,392,147</u>
Total liabilities	<u>22,185,474</u>	<u>23,768,632</u>
Deferred inflows of resources:		
Amounts related to pensions		
Restricted for:		
Difference in expected and actual experience	<u>413,735</u>	<u>9,328</u>
Total Deferred Inflows of Resources	<u>413,735</u>	<u>9,328</u>
Total Liabilities and Deferred Inflows of Resources	<u>22,599,209</u>	<u>23,777,960</u>
NET POSITION		
Net investment in capital assets	21,927,012	21,913,595
Restricted for water and sewer system improvements	62,137	61,954
Restricted for Trinity River Authority contracts payable	735,756	410,299
Unrestricted	<u>17,703,779</u>	<u>16,596,760</u>
Total Net Position	<u>\$ 40,428,684</u>	<u>\$ 38,982,608</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, 2018 AND 2017

Business-Type Activities - Enterprise Fund

	2018	2017
Operating revenues:		
Charges for sales and services:		
Electricity sales	\$ 9,516,077	\$ 9,415,098
Water sales	2,925,373	2,952,972
Sewer service charges	2,090,144	2,113,746
Penalties, utilities	161,342	151,148
Water tapping fees	5,930	22,887
Sewer tapping fees	5,750	4,550
Recoveries, electrical	3,178,492	5,277,748
Recoveries, water	406,133	391,718
Revenue, night lights	98,358	99,220
Service fees	57,120	55,416
Total Operating Revenues	<u>18,444,719</u>	<u>20,484,503</u>
Operating expenses:		
Light and Power Department	9,888,635	9,693,978
Water Department	3,894,242	3,890,075
Sewer Department	752,139	660,354
Depreciation	547,339	527,757
Total Operating Expenses	<u>15,082,355</u>	<u>14,772,164</u>
Operating Income	3,362,364	5,712,339
Non-operating revenues:		
Interest income	<u>9,056</u>	<u>8,655</u>
Income Before Transfers	3,371,420	5,720,994
Transfers Out	<u>(1,925,344)</u>	<u>(822,556)</u>
Change in net position	1,446,076	4,898,438
Total net position - beginning	<u>38,982,608</u>	<u>34,084,170</u>
Total net position - ending	<u>\$ 40,428,684</u>	<u>\$ 38,982,608</u>

CITY OF LIVINGSTON, TEXAS
COMPARATIVE STATEMENT OF CASH FLOWS
ELECTRIC, WATER, AND SEWER FUND
FOR THE YEARS ENDED SEPTEMBER 30, 2018 AND 2017

Business-Type Activities - Enterprise Fund

	2018	2017
Cash flows from operating activities:		
Cash received from customers	\$ 18,366,252	\$ 20,481,335
Cash payments to suppliers for goods and services	(13,132,200)	(12,586,612)
Cash payments to employees for services	<u>(1,509,028)</u>	<u>(1,441,120)</u>
Net cash provided by operating activities	<u>3,725,024</u>	<u>6,453,603</u>
Cash flows from noncapital financing activities:		
Transfers to other funds	<u>(1,925,344)</u>	<u>(822,556)</u>
Net cash used for noncapital financing activities	<u>(1,925,344)</u>	<u>(822,556)</u>
Cash flows from capital and related financing activities:		
Acquisition of capital assets	<u>(560,757)</u>	<u>(1,090,712)</u>
Net cash used for capital and related financing activities	<u>(560,757)</u>	<u>(1,090,712)</u>
Cash flows from investing activities:		
Interest on cash and investments	<u>9,056</u>	<u>8,655</u>
Net cash provided by investing activities	<u>9,056</u>	<u>8,655</u>
Net Change in Cash and Cash Equivalents	<u>1,247,979</u>	<u>4,548,990</u>
Cash and Cash Equivalents at Beginning of Year	<u>16,460,891</u>	<u>11,911,901</u>
Cash and Cash Equivalents at End of Year	<u>\$ 17,708,870</u>	<u>\$ 16,460,891</u>

(Continued)

CITY OF LIVINGSTON, TEXAS
COMPARATIVE STATEMENT OF CASH FLOWS
ELECTRIC, WATER, AND SEWER FUND
FOR THE YEARS ENDED SEPTEMBER 30, 2018 AND 2017

Business-Type Activities - Enterprise Fund

	2018	2017
Reconciliation of income from operations to net cash provided by operating activities:		
Income from operations	\$ 3,362,364	\$ 5,712,339
Adjustments to reconcile operating net income to net cash provided by operating activities:		
Depreciation	547,339	527,757
Change in operating assets and liabilities:		
Returned checks receivable	(2,603)	(187)
Utility accounts receivable	87,130	(2,981)
Deferred outflows	254,544	82,633
Accounts payable	(198,272)	123,013
Meter deposits	11,266	25,514
Net pension liability	(741,152)	16,577
Deferred inflows	404,407	(31,062)
Total adjustments	362,659	741,264
Net cash provided by operating activities	<u>\$ 3,725,023</u>	<u>\$ 6,453,603</u>
Reconciliation of total cash and cash investments		
Unrestricted	\$ 16,910,976	\$ 15,988,638
Restricted		
Cash in bank, water and sewer system improvements	62,137	61,954
Cash in bank, reserve fund	<u>735,756</u>	<u>410,299</u>
Total cash and cash equivalents	<u>\$ 17,708,869</u>	<u>\$ 16,460,891</u>

(Concluded)

ENTERPRISE FUND

CITY OF LIVINGSTON, TEXAS

ENTERPRISE FUND

SCHEDULE OF EXPENSES BY DEPARTMENT - COMPARED TO BUDGET

FOR THE YEAR ENDED SEPTEMBER 30, 2018

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED SEPTEMBER 30, 2017

	2018			
	Original Budget	Revisions	Final	Actual
LIGHT AND POWER DEPARTMENT				
Salaries	\$ 695,000	\$ -	\$ 695,000	\$ 710,384
Salaries, administration	43,000	-	43,000	9,000
Social Security	58,000	(4,000)	54,000	55,033
Retirement	114,000	4,000	118,000	91,520
Employee insurance	113,000	2,000	115,000	114,704
Uniform rental	6,000	-	6,000	6,039
Insurance and bonds	20,000	-	20,000	21,628
Legal and professional	2,000	(1,500)	500	385
Engineering	1,000	(1,000)	-	-
Supplies	40,000	5,000	45,000	63,827
Repairs-building and grounds and equipment	40,000	10,500	50,500	51,866
Gas and oil	13,000	(3,000)	10,000	12,654
Utility/telephone	7,500	1,200	8,700	9,182
Dues and subscriptions	7,500	(700)	6,800	8,029
Power purchase	8,875,000	(1,675,000)	7,200,000	8,691,077
Transportation and contingency	8,000	(200)	7,800	5,572
Utility billing	12,500	-	12,500	11,289
Postage and miscellaneous	16,000	(2,800)	13,200	13,271
Auditing and accounting	13,500	(300)	13,200	13,175
Total Light and Power	10,085,000	(1,665,800)	8,419,200	9,888,635
WATER DEPARTMENT				
Salaries	468,000	-	468,000	470,910
Salaries - administration	43,000	-	43,000	9,000
Social Security	40,000	(4,000)	36,000	37,466
Retirement	80,000	17,000	97,000	62,141
Employee insurance	105,000	10,000	115,000	98,044
Uniform rental	5,500	1,400	6,900	6,968
Insurance and bonds	19,250	750	20,000	21,052
Legal and professional	5,000	-	5,000	2,668
Supplies	45,500	-	45,500	76,363
Repairs-building and grounds	10,000	-	10,000	10,043
Repairs-equipment	60,000	-	60,000	61,963
Gas and oil	36,000	(9,000)	27,000	36,803
Engineering	20,000	(16,000)	4,000	4,834
Dues and subscriptions	12,000	3,000	15,000	12,344
Water-TRA	58,400	-	58,400	58,400
Operations and maintenance-TRA	1,285,000	-	1,285,000	1,271,966
Transportation and contingency	37,000	(500)	36,500	33,071
Utility billing	13,500	(1,500)	12,000	11,288
Postage and printing	15,250	(1,250)	14,000	13,439
TRA-debt service	1,576,000	-	1,576,000	1,582,312
Auditing and accounting	13,500	(300)	13,200	13,167
Total Water	3,947,900	(400)	3,947,500	3,894,242

Variance	2017	Actual
\$ (15,384)	\$ 661,341	
34,000	32,246	
(1,033)	52,996	
26,480	145,380	
296	94,548	
(39)	6,478	
(1,628)	18,976	
115	3,689	
-	-	
(18,827)	29,254	
(1,366)	43,905	
(2,654)	12,726	
(482)	7,666	
(1,229)	7,852	
(1,491,077)	8,533,560	
2,228	3,750	
1,211	11,712	
(71)	14,632	
25	13,267	
<u>(1,469,435)</u>	<u>9,693,978</u>	
(2,910)	454,346	
34,000	32,240	
(1,466)	37,245	
34,859	103,130	
16,956	87,463	
(68)	5,965	
(1,052)	18,934	
2,332	12,546	
(30,863)	45,754	
(43)	6,279	
(1,963)	108,472	
(9,803)	35,929	
(834)	16,179	
2,656	11,409	
-	58,400	
13,034	1,200,006	
3,429	34,633	
712	11,712	
561	14,736	
(6,312)	1,581,430	
33	13,267	
<u>53,258</u>	<u>3,890,075</u>	

CITY OF LIVINGSTON, TEXAS
ENTERPRISE FUND
SCHEDULE OF EXPENSES BY DEPARTMENT - COMPARED TO BUDGET
FOR THE YEAR ENDED SEPTEMBER 30, 2018
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED SEPTEMBER 30, 2017

	2018			
	Original Budget	Revisions	Final	Actual
SEWER DEPARTMENT				
Salaries	239,000	-	239,000	300,734
Salaries, administration	43,000	-	43,000	9,000
Social Security	25,000	(6,000)	19,000	24,012
Retirement	41,000	(8,000)	33,000	40,362
Employee insurance	45,000	3,000	48,000	57,214
Uniform rental	2,900	1,400	4,300	4,529
Insurance and bonds	8,000	-	8,000	6,808
Lab fees-engineering	20,000	1,000	21,000	22,231
Supplies	45,000	(15,000)	30,000	30,968
Chemicals	27,500	(4,500)	23,000	24,078
Legal/professional	1,000	-	1,000	1,227
Repairs-equipment	60,000	-	60,000	106,851
Repairs-building and grounds	5,000	-	5,000	2,557
Gas and oil	7,700	(2,700)	5,000	6,551
Dues and subscriptions	10,000	2,000	12,000	10,787
Transportation and contingency	62,000	(3,000)	59,000	66,911
Utilities and telephone	26,500	9,500	36,000	37,319
Total Sewer	<u>668,600</u>	<u>(22,300)</u>	<u>646,300</u>	<u>752,139</u>
TOTAL ENTERPRISE FUND DEPARTMENT EXPENDITURES	<u>\$ 14,701,500</u>	<u>\$ (1,688,500)</u>	<u>\$ 13,013,000</u>	<u>\$ 14,535,016</u>

Variance	2017	Actual
(61,734)	228,701	
34,000	32,246	
(5,012)	20,234	
(7,362)	49,953	
(9,214)	37,879	
(229)	4,151	
1,192	6,401	
(1,231)	22,955	
(968)	49,734	
(1,078)	20,318	
(227)	695	
(46,851)	72,497	
2,443	5,398	
(1,551)	7,384	
1,213	9,933	
(7,911)	57,849	
(1,319)	34,026	
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(105,839)	660,354	
<u>\$ (1,522,016)</u>	<u>\$ 14,244,407</u>	

STATISTICAL SECTION

FINANCIAL TRENDS

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

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

	Fiscal Year		
	2009	2010	2011
Governmental activities			
Net investment in capital assets	\$ 3,805,846	\$ 3,816,433	\$ 4,351,471
Restricted	58,323	60,119	62,171
Unrestricted	<u>1,403,689</u>	<u>1,018,128</u>	<u>513,969</u>
Total governmental activities net position	<u>\$ 5,267,858</u>	<u>\$ 4,894,680</u>	<u>\$ 4,927,611</u>
Business-type activities			
Net investment in capital assets	\$14,299,578	\$ 15,112,038	\$ 16,034,964
Restricted	120,096	125,923	463,375
Unrestricted	<u>2,010,951</u>	<u>2,680,995</u>	<u>3,142,246</u>
Total business-type activities net position	<u>\$16,430,625</u>	<u>\$ 17,918,956</u>	<u>\$ 19,640,585</u>
Primary government			
Net investment in capital assets	\$18,105,424	\$ 18,928,471	\$ 20,386,435
Restricted	178,419	186,042	525,546
Unrestricted	<u>3,414,640</u>	<u>3,699,123</u>	<u>3,656,215</u>
Total primary government net position	<u>\$21,698,483</u>	<u>\$ 22,813,636</u>	<u>\$ 24,568,196</u>

Fiscal Year						
2012	2013	2014	2015	2016	2017	2018
\$ 4,791,257	\$ 4,315,590	\$ 2,964,659	\$ 4,437,694	\$ 4,740,690	\$ 5,464,673	\$ 5,626,496
11,028	11,906	12,825	6,523	13,362	14,443	9,848
<u>358,850</u>	<u>662,242</u>	<u>1,270,906</u>	<u>(217,812)</u>	<u>618,282</u>	<u>(534,353)</u>	<u>51,562</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>\$ 4,944,763</u>	<u>\$ 5,687,906</u>
\$ 17,445,479	\$ 18,761,672	\$ 20,254,016	\$ 20,890,615	\$ 21,350,643	\$ 21,913,595	\$ 21,927,012
103,495	103,626	111,356	117,270	123,885	472,253	797,893
<u>2,921,239</u>	<u>5,978,877</u>	<u>6,620,642</u>	<u>7,761,709</u>	<u>12,609,642</u>	<u>16,596,760</u>	<u>17,703,779</u>
<u>\$ 20,470,213</u>	<u>\$ 24,844,175</u>	<u>\$ 26,986,014</u>	<u>\$ 28,769,594</u>	<u>\$ 34,084,170</u>	<u>\$ 38,982,608</u>	<u>\$ 40,428,684</u>
\$ 22,236,736	\$ 23,077,262	\$ 23,218,675	\$ 25,328,309	\$ 26,091,333	\$ 27,378,268	\$ 27,553,508
114,523	115,532	124,181	123,793	137,247	486,696	807,741
<u>3,280,089</u>	<u>6,641,119</u>	<u>7,891,548</u>	<u>7,543,897</u>	<u>13,227,924</u>	<u>16,062,407</u>	<u>17,755,341</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>	<u>\$ 46,116,590</u>

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

	Fiscal Year					
	2009	2010	2011	2012	2013	2014
Expenses						
Governmental activities:						
Administrative	\$ 625,366	\$ 550,726	\$ 560,705	\$ 578,438	\$ 609,174	\$ 628,524
Sanitation	607,137	597,196	611,463	631,433	653,663	705,207
Fire	413,973	406,508	440,931	396,728	404,025	429,642
Police	1,530,106	1,618,530	1,701,952	1,846,576	1,852,215	1,912,194
Paving and street	935,608	950,467	968,401	962,427	969,670	993,905
Parks and recreation	847,600	893,254	917,386	973,354	991,098	947,878
Library	284,255	312,390	310,674	332,359	354,693	448,499
Garage	186,795	180,496	183,928	190,832	203,343	218,840
Interest on long-term debt	316,960	292,638	267,220	246,345	366,800	325,625
Total governmental activities expense	<u>5,747,800</u>	<u>5,802,205</u>	<u>5,962,660</u>	<u>6,158,492</u>	<u>6,404,681</u>	<u>6,610,314</u>
Business-type activities:						
Electric, water and sewer	12,007,478	12,362,086	12,851,514	12,521,334	12,167,699	14,519,484
Total business-type activities expenses	<u>12,007,478</u>	<u>12,362,086</u>	<u>12,851,514</u>	<u>12,521,334</u>	<u>12,167,699</u>	<u>14,519,484</u>
Total primary government expenses	<u>17,755,278</u>	<u>18,164,291</u>	<u>18,814,174</u>	<u>18,679,826</u>	<u>18,572,380</u>	<u>21,129,798</u>
Program Revenues						
Governmental activities:						
Charges for services						
Administrative	368,308	247,380	98,784	193,065	98,300	101,595
Sanitation	846,740	846,516	933,025	947,880	1,027,614	1,038,218
Police	222,025	228,426	251,926	280,759	273,321	275,621
Paving and street	892	10,197	20,749	51,802	2,103	11,485
Parks and recreation	298,880	226,859	234,341	199,677	203,685	192,800
Library	19,386	18,171	17,309	15,406	17,835	23,829
Operating grants and contributions	653,212	A. 94,055	110,094	130,478	128,227	60,484
Capital grants and contributions	471,764	A. 247,392	B. 171,317	3,491	-	-
Total governmental activities program revenues	<u>2,881,207</u>	<u>1,918,996</u>	<u>1,837,545</u>	<u>1,822,558</u>	<u>1,751,085</u>	<u>1,704,032</u>
Business-type activities:						
Charges for services	12,369,934	13,968,911	15,144,524	14,253,547	16,851,001	17,055,406
Electric, water and sewer	12,369,934	13,968,911	15,144,524	14,253,547	16,851,001	17,055,406
Total business-type activities program revenues	<u>15,251,141</u>	<u>15,887,907</u>	<u>16,982,069</u>	<u>16,076,105</u>	<u>18,602,086</u>	<u>18,759,438</u>
Total primary government program revenues						
Net (Expense) Revenues						
Governmental activities	(2,866,593)	(3,883,209)	(4,125,115)	(4,335,934)	(4,653,596)	(4,906,282)
Business-type activities	362,456	1,606,825	2,293,010	1,732,213	4,683,302	2,535,922
Total primary government net expense	<u>(2,504,137)</u>	<u>(2,276,384)</u>	<u>(1,832,105)</u>	<u>(2,603,721)</u>	<u>29,706</u>	<u>(2,370,360)</u>
General Revenues and Other Changes in Net Position						
Governmental activities:						
Taxes						
Sales taxes	3,392,552	3,012,227	3,185,997	3,275,321	3,730,723	3,431,399
Franchise taxes	172,631	143,586	162,759	146,319	151,625	135,253
Hotel/Motel taxes	291,096	210,076	219,019	222,936	270,564	318,487
Investment earnings	12,753	7,153	4,803	10,801	7,743	3,918
Transfers	(263,233)	136,989	585,468	914,081	321,544	406,434
Total governmental activities	<u>3,605,799</u>	<u>3,510,031</u>	<u>4,158,046</u>	<u>4,569,458</u>	<u>4,482,199</u>	<u>4,295,491</u>
Business-type activities:						
Investment earnings	27,310	18,495	14,087	11,496	12,204	12,351
Transfers	263,233	(136,989)	(585,468)	(914,081)	(321,544)	(406,434)
Total business-type activities	<u>290,543</u>	<u>(118,494)</u>	<u>(571,381)</u>	<u>(902,585)</u>	<u>(309,340)</u>	<u>(394,083)</u>
Total primary government	<u>3,896,342</u>	<u>3,391,537</u>	<u>3,586,665</u>	<u>3,666,873</u>	<u>4,172,859</u>	<u>3,901,408</u>
Changes in Net Position						
Governmental activities	739,206	(373,178)	32,931	233,524	(171,397)	(610,791)
Business-type activities	652,999	1,488,331	1,721,629	829,628	4,373,962	2,141,839
Total primary government	<u>\$ 1,392,205</u>	<u>\$ 1,115,153</u>	<u>\$ 1,754,560</u>	<u>\$ 1,063,152</u>	<u>\$ 4,202,565</u>	<u>\$ 1,531,048</u>

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

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

	2015	2016	2017	2018
\$	629,168	\$ 697,407	\$ 649,067	\$ 546,294
701,377	701,452	740,246	764,143	
431,539	473,390	480,753	510,309	
1,992,910	2,171,640	2,259,591	2,269,710	
1,082,684	1,356,218	1,238,574	1,335,446	
1,060,084	1,061,374	1,101,262	1,113,057	
476,226	515,985	511,324	519,798	
217,587	234,349	240,257	255,314	
278,500	252,050	225,050	197,100	
<u>6,870,075</u>	<u>7,463,865</u>	<u>7,446,124</u>	<u>7,511,171</u>	
<u>14,628,936</u>	<u>14,721,612</u>	<u>14,772,164</u>	<u>15,082,355</u>	
<u>14,628,936</u>	<u>14,721,612</u>	<u>14,772,164</u>	<u>15,082,355</u>	
<u>21,499,011</u>	<u>22,185,477</u>	<u>22,218,288</u>	<u>22,593,526</u>	
92,722	91,839	142,640	92,630	
1,041,025	1,102,931	1,215,053	1,213,940	
294,900	315,638	347,779	359,665	
4,156	2,219	-	27,146	
331,809	186,002	191,187	191,412	
32,866	18,130	19,163	21,062	
86,898	142,999	69,403	64,384	
219,600	52,350	3,050	-	
<u>2,103,976</u>	<u>1,912,108</u>	<u>1,988,275</u>	<u>1,970,239</u>	
<u>19,551,817</u>	<u>22,691,589</u>	<u>20,484,503</u>	<u>18,444,719</u>	
<u>19,551,817</u>	<u>22,691,589</u>	<u>20,484,503</u>	<u>18,444,719</u>	
<u>21,655,793</u>	<u>24,603,697</u>	<u>22,472,778</u>	<u>20,414,958</u>	
(4,766,099)	(5,551,757)	(5,457,849)	(5,540,932)	
4,922,881	7,969,977	5,712,339	3,362,364	
<u>156,782</u>	<u>2,418,220</u>	<u>254,490</u>	<u>(2,178,568)</u>	
3,488,475	3,597,499	3,759,664	4,055,937	
142,040	136,844	128,601	115,006	
297,152	296,831	316,075	362,937	
3,389	2,926	3,382	4,303	
2,347,835	2,663,586	822,556	1,925,344	
<u>6,278,891</u>	<u>6,697,686</u>	<u>5,030,278</u>	<u>6,463,527</u>	
8,930	8,185	8,655	9,056	
(2,347,835)	(2,663,586)	(822,556)	(1,925,344)	
(2,338,905)	(2,655,401)	(813,901)	(1,916,288)	
<u>3,939,986</u>	<u>4,042,285</u>	<u>4,216,377</u>	<u>4,547,239</u>	
1,512,792	1,145,929	(427,571)	922,595	
2,583,976	5,314,576	4,898,438	1,446,076	
<u>\$ 4,096,768</u>	<u>\$ 6,460,505</u>	<u>\$ 4,470,867</u>	<u>\$ 2,368,671</u>	

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

	Fiscal Year			
	2009	2010	2011	2012
General Fund				
Restricted	\$ 64,705	\$ 49,852	\$ 29,094	\$ 14,224
Unassigned	<u>1,096,703</u>	<u>863,051</u>	<u>395,568</u>	<u>190,139</u>
Total General Fund	<u><u>\$ 1,161,408</u></u>	<u><u>\$ 912,903</u></u>	<u><u>\$ 424,662</u></u>	<u><u>\$ 204,363</u></u>
All Other Governmental Funds				
Restricted				
Debt Service Fund	\$ 58,323	\$ 60,119	\$ 62,171	\$ 11,028
Capital Projects Fund	<u>650,228</u>	<u>218,502</u>	<u>93,702</u>	<u>6,053,685</u> A.
Total all other governmental funds	<u><u>\$ 708,551</u></u>	<u><u>\$ 278,621</u></u>	<u><u>\$ 155,873</u></u>	<u><u>\$ 6,064,713</u></u>

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

Fiscal Year					
2013	2014	2015	2016	2017	2018
\$ 214 <u>857,542</u>	\$ 296 <u>1,270,609</u>	\$ 2,421 <u>1,231,446</u>	\$ 1,419 <u>2,372,108</u>	\$ 14,497 <u>1,356,179</u>	\$ 13,475 <u>1,946,866</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>	<u>\$ 1,960,341</u>
\$ 11,906 <u>3,363,060</u>	\$ 12,825 <u>833,076</u>	\$ 6,523 <u>507,620</u>	\$ 13,362 <u>-</u>	\$ 14,443 <u>-</u>	\$ 9,848 <u>-</u>
<u>\$ 3,374,966</u>	<u>\$ 845,901</u>	<u>\$ 514,143</u>	<u>\$ 13,362</u>	<u>\$ 14,443</u>	<u>\$ 9,848</u>

TABLE A-4

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

	Fiscal Year			
	2009	2010	2011	2012
Revenues				
Taxes	\$ 3,856,279	\$ 3,365,889	\$ 3,567,775	\$ 3,644,576
Licenses and permits	330,493	221,005	69,898	155,254
Charges for service	1,069,232	1,064,615	1,185,540	1,174,660
Fines and forfeitures	210,193	217,430	235,733	261,493
Miscellaneous	<u>1,271,421</u>	<u>439,046</u>	<u>369,023</u>	<u>256,783</u>
Total Revenues	<u>6,737,618</u>	<u>5,307,985</u>	<u>5,427,969</u>	<u>5,492,766</u>
Expenditures				
Administrative	544,952	502,238	516,991	612,838
Sanitation	606,952	597,076	611,343	631,313
Fire	378,591	373,785	409,387	367,911
Police	1,436,239	1,524,372	1,600,314	1,734,608
Paving and street	388,011	428,013	453,560	447,899
Parks and recreation	667,173	715,406	752,668	810,104
Library	250,779	277,401	275,958	296,039
Garage	175,996	169,988	173,673	172,278
Capital outlay	1,158,730	497,732	773,312	718,971
Debt service				
Interest	316,960	292,398	267,220	246,345
Principal	<u>720,000</u>	<u>745,000</u>	<u>790,000</u>	<u>850,000</u>
Total Expenditures	<u>6,644,383</u>	<u>6,123,409</u>	<u>6,624,426</u>	<u>6,888,306</u>
Excess of revenues over (under) expenditures	93,235	(815,424)	(1,196,457)	(1,395,540)
Other Financing Sources (Uses)				
Proceeds from borrowing	-	-	-	6,000,000 A
Proceeds from refunding	-	-	-	3,100,000 B
Redemption of refunded bonds	-	-	-	(2,930,000) B
Transfers in	1,236,959	1,606,128	1,767,478	2,160,929
Transfers out	<u>(1,500,192)</u>	<u>(1,469,139)</u>	<u>(1,182,010)</u>	<u>(1,246,848)</u>
Total other financing sources	<u>(263,233)</u>	<u>136,989</u>	<u>585,468</u>	<u>7,084,081</u>
Net change in fund balances	<u>\$ (169,998)</u>	<u>\$ (678,435)</u>	<u>\$ (610,989)</u>	<u>\$ 5,688,541</u>
Debt service as a percentage of noncapital expenditures	18.9%	18.4%	18.1%	17.8%

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					
2013	2014	2015	2016	2017	2018
\$ 4,152,912	\$ 3,885,139	\$ 3,927,667	\$ 4,031,174	\$ 4,204,340	\$ 4,533,880
54,839	78,737	66,122	61,394	108,801	62,259
1,275,560	1,311,551	1,290,760	1,357,043	1,436,597	1,440,739
256,378	261,363	280,259	298,337	324,687	370,040
180,943	88,191	430,104	190,184	126,335	21,089
<u>5,920,632</u>	<u>5,624,981</u>	<u>5,994,912</u>	<u>5,938,132</u>	<u>6,200,760</u>	<u>6,428,007</u>
546,441	569,230	590,106	584,639	579,236	489,166
653,542	705,087	701,257	701,332	740,126	764,023
371,718	393,104	396,935	420,082	429,930	470,361
1,736,455	1,802,083	1,882,425	1,912,124	2,059,888	2,182,844
450,841	486,078	536,667	533,445	591,772	682,258
845,205	802,039	933,864	885,012	931,813	961,081
302,686	335,764	350,494	365,558	370,697	395,713
182,681	198,707	201,151	204,859	219,323	247,642
1,862,161	1,498,439	1,820,144	1,063,738	807,251	838,093
366,800	366,800	278,500	252,050	225,050	197,100
<u>960,000</u>	<u>990,000</u>	<u>1,020,000</u>	<u>1,040,000</u>	<u>1,070,000</u>	<u>540,000</u>
<u>8,278,530</u>	<u>8,147,331</u>	<u>8,711,543</u>	<u>7,962,839</u>	<u>8,025,086</u>	<u>7,768,281</u>
(2,357,898)	(2,522,350)	(2,716,631)	(2,024,707)	(1,824,326)	(1,340,274)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
2,874,484	3,276,767	3,638,885	4,457,253	2,117,649	2,657,288
(2,552,940)	(2,870,333)	(1,291,050)	(1,793,667)	(1,295,093)	(731,944)
<u>321,544</u>	<u>406,434</u>	<u>2,347,835</u>	<u>2,663,586</u>	<u>822,556</u>	<u>1,925,344</u>
<u>\$ (2,036,354)</u>	<u>\$ (2,115,916)</u>	<u>\$ (368,796)</u>	<u>\$ 638,879</u>	<u>\$ (1,001,770)</u>	<u>\$ 585,070</u>
20.7%	20.4%	18.8%	18.7%	17.9%	10.6%

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REVENUE CAPACITY

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

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

Tax Year	Real Property (1)		Personal (1) Assessed Value
	Assessed Value	Estimated Actual Value	
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
2017	459,769,932	459,769,932	62,424,297

(1) Information was provided by the Polk Central Appraisal District.

TABLE B-1

Personal (1) Estimated Actual Value	Total Property		Ratio of Total Assessed to Total Estimated Actual Value	Total Direct Rate Applied
	Assessed Value	Estimated Actual Value		
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%
62,424,297	522,194,229	522,194,229	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)**

County Fiscal Year	City General Fund	School District	County	Total
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
2017	.00	1.3900	0.6461	2.0361

County Fiscal Year	City General Fund	School District	County	Total
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
2017	-	19,697,126	18,171,100	37,868,226

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 2018 KILOWATT HOURS				TEN LARGEST ELECTRIC CUSTOMERS FISCAL 2009 KILOWATT HOURS			
(*) Name	Kilowatt Hours	Rank	Percent of Total	Kilowatt Hours	Rank	Percent of Total	
Livingston Independent School Dist.	7,308,930	1	8.74%	7,217,099	1	8.79%	
Polk County	3,896,726	2	4.66%	1,867,488	5	2.27%	
Brookshire Brothers	2,234,285	3	2.67%	2,432,359	2	2.96%	
HEB Grocery	1,902,750	4	2.28%	1,953,381	4	2.38%	
Lowe's Home Improvement	1,857,183	5	2.22%	2,144,653	3	2.61%	
The Bradford	1,074,387	6	1.28%	-		0.00%	
McDonald's	904,438	7	1.08%	686,477	9	0.84%	
Factory Stores of America	860,688	8	1.03%	1,348,044	6	1.64%	
Pine Ridge Healthcare Center	828,198	9	0.99%	844,469	7	1.03%	
First State Bank	600,686	10	0.72%	704,615	8	0.86%	
First National Bank	-		0.00%	604,153	10	0.74%	
	<u>21,468,271</u>		<u>25.67%</u>	<u>19,802,738</u>		<u>24.12%</u>	

TEN LARGEST WATER CUSTOMERS FISCAL 2018 GALLONS USED				TEN LARGEST WATER CUSTOMERS FISCAL 2009 GALLONS USED			
(*) Name	Gallons Used	Rank	Percent of Total	Gallons Used	Rank	Percent of Total	
Texas Department of Criminal Just.	261,267,000	1	46.08%	233,752,000	1	43.26%	
IAH Detention Facility	31,058,000	2	5.48%	31,065,000	2	5.75%	
CHI St Luke's Health	15,522,000	3	2.74%	-		0.00%	
Livingston Independent School Dist.	12,134,000	4	2.14%	13,640,000	4	2.52%	
Pine Hill Apartments	6,599,000	5	1.16%	6,897,000	6	1.28%	
Polk County	5,568,000	6	0.98%	4,806,000	7	0.89%	
Camp Cho Yeh	5,351,000	7	0.94%	7,586,000	5	1.40%	
The Bradford	4,754,000	8	0.84%	3,397,000	9	0.63%	
Pine Ridge Healthcare Center	4,504,000	9	0.79%	2,539,000	10	0.47%	
La Quinta	2,244,000	10	0.40%	-		0.00%	
Walmart Super Center	-		0.00%	4,215,000	8	0.78%	
Memorial Medical Center	-		0.00%	14,071,000	3	2.60%	
	<u>349,001,000</u>		<u>61.56%</u>	<u>321,968,000</u>		<u>59.59%</u>	

(*) Information provided by City of Livingston

Note: The City does not receive any revenue from property taxes at this time. The primary revenue source is sales of electricity and water and sewer services. The City is prohibited by law from disclosing the principal revenue payers of sales tax revenue. Consequently, the City has not provided that information.

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

Fiscal Year	Total Tax Levy	Current Tax Collections	Percent of Levy Collected	Delinquent Tax Collections	Total Tax Collections
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	-	-
2017-18	N/A	N/A	N/A	-	-

* City discontinued levying property taxes in fiscal 1989.

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

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

	Fiscal Year			
	2008	2009	2010	2011
Mining	\$ 285,694	\$ 139,367	\$ -	\$ -
Construction	8,329,709	2,566,018	5,362,638	5,188,507
Manufacturing	7,440,687	4,670,834	4,047,613	3,615,697
Transportation, communication, utility	152,921	293,334	285,717	324,431
Wholesale Trade	8,944,623	7,407,560	6,784,579	9,500,142
Retail Trade	137,752,269	136,583,087	132,247,339	133,603,936
Finance, insurance, real estate	1,741,041	1,666,834	1,120,298	1,149,143
Services	<u>34,724,520</u>	<u>34,823,277</u>	<u>34,106,509</u>	<u>34,841,742</u>
Total	<u><u>\$199,371,464</u></u>	<u><u>\$188,150,311</u></u>	<u><u>\$183,954,693</u></u>	<u><u>\$188,223,598</u></u>

Source: State Comptroller's Office

TABLE B-5

Fiscal Year					
2012	2013	2014	2015	2016	2017
\$ -	\$ -	\$ -	\$ -	\$ 5,892	\$ -
5,879,331	4,302,348	4,357,712	5,839,513	2,828,797	3,368,703
4,907,254	6,711,331	5,935,164	7,437,680	7,338,917	7,838,552
226,591	231,890	248,119	229,389	237,053	257,023
9,603,888	10,848,869	10,046,996	9,793,097	6,611,068	6,299,002
138,173,284	142,313,890	142,208,459	124,622,403	150,182,763	153,086,173
1,865,566	1,899,028	2,013,205	2,471,029	2,353,850	2,301,532
36,840,033	38,727,778	39,477,491	43,277,048	45,521,468	45,484,035
<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>	<u>\$ 218,635,020</u>

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

	Fiscal Year			
	2009	2010	2011	2012
Electrical revenues	\$ 9,387,165	\$ 10,362,512	\$ 11,196,010	\$ 10,123,366
Water revenues	1,749,976	2,326,923	2,279,605	2,107,111
Sewer revenues	<u>1,232,793</u>	<u>1,279,476</u>	<u>1,668,909</u>	<u>2,023,070</u>
Total	<u>\$ 12,369,934</u>	<u>\$ 13,968,911</u>	<u>\$ 15,144,524</u>	<u>\$ 14,253,547</u>

Sources: Various City Departments

Fiscal Year					
2013	2014	2015	2016	2017	2018
\$ 12,539,645	\$ 12,262,970	\$ 14,952,135	\$ 17,663,467	\$ 14,998,630	\$ 13,011,389
2,908,495	2,916,915	2,707,222	2,947,552	3,367,577	3,337,436
<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>2,095,894</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>	<u>\$ 18,444,719</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

Fiscal Year	CERTIFICATES OF OBLIGATION	GENERAL OBLIGATION BONDS	TOTAL GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	
				WATER SERVICE CONTRACTS	PAYABLE
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	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	
2017-18	5,700,000	-	5,700,000	19,990,000	

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.

<u>TOTAL PRIMARY GOVERNMENT</u>	<u>PERCENTAGE OF PERSONAL INCOME</u>	<u>GROSS BONDED DEBT PER CAPITA</u>	<u>NET BONDED DEBT PER CAPITA</u>	<u>POPULATION</u>
7,675,000	4.44%	1,387	1,376	5,433 (1)
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	14.14%	1,370	1,368	5,335
26,885,000	13.19%	1,170	1,167	5,335
25,690,000	12.60%	1,068	1,067	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

Fiscal Year	Population		Assessed Value (1)	Gross Bonded Debt (3)	Less: Debt Service Fund
2008-09	5,433	(2)	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
2017-18	5,335		522,194,229	5,700,000	9,848

(1) Net of exemptions (information provided by Polk Central Appraisal District)

(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

Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt Per Capita
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
5,690,152	-	1,067

CITY OF LIVINGSTON, TEXAS
COMPUTATION OF DIRECT AND OVERLAPPING DEBT
September 30, 2018

Governmental Unit	Outstanding Debt	Percentage Applicable to This Governmental Unit *	City of Livingston's Share of Debt
City of Livingston	\$ 5,700,000	100%	\$ 5,700,000
(1) Livingston Independent School District	60,080,000	20%	12,016,000
(2) County of Polk	21,628,238	13%	2,811,671
Total overlapping debt	81,708,238		14,827,671
Total direct and overlapping debt	\$ 87,408,238		\$ 20,527,671

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

(2) Information provided by Polk County Auditor's Office (outstanding debt is 2017 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.

CITY OF LIVINGSTON, TEXAS
COMPUTATION OF LEGAL DEBT MARGIN
September 30, 2018

Assessed value, year 2017	<u>\$ 522,194,229</u>
Debt Limit - Ten Percent of assessed value	52,219,423
Amount of Debt Applicable to Debt Limit:	
Other debt (certificate of obligation and contracts payable)	<u>25,690,000</u>
Total debt	<u>25,690,000</u>
Less: Assets in debt service fund	9,848
Total amount of debt applicable to debt limit	<u>25,680,152</u>
Legal debt margin	<u>\$ 26,539,271</u>

Fiscal Year	Debt Limit	Total Net Debt Applicable to Limit	Legal Debt Margin	Legal Debt Margin as a Percentage of the Debt Limit
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%
2018	\$ 52,219,423	\$ 25,680,152	\$ 26,539,271	50.82%

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

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DEMOGRAPHIC AND ECONOMIC INFORMATION

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

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

Fiscal Year	Population	Personal Income	Per Capita Personal Income	Unemployment Rate
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	202,132,480	37,888	6.90%
2016-17	5,335	203,871,690	38,214	5.60%
2017-18	5,335	203,850,350	38,210	4.80%

* Sources: Population provided by the 2000 and 2010 census. Personal income provided by Bureau of Economic Analysis. Unemployment rate provided Bureau of Labor Statistics and Texas Labor Market Information as published by the Texas Workforce Commission.

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

(*) Name	2018			2009		
	Employees	Rank	Percent of Total City Employment	Employees	Rank	Percent of Total City Employment
Livingston Independent School Dist.	577	1	7.40%	639	1	8.19%
Polk County	327	2	4.19%	333	4	4.27%
Walmart Super Center	210	3	2.69%	495	2	6.35%
CHI St Luke's Health	206	4	2.64%	476	3	6.10%
IAH Detention Facility	165	5	2.12%	-	-	0.00%
Sam Houston Electric Coop	157	6	2.01%	-	-	0.00%
Lowe's Home Improvement	148	7	1.90%	150	5	1.92%
The Bradford	130	8	1.67%	132	6	1.69%
Pine Ridge Healthcare Center	99	9	1.27%	123	7	1.58%
First National Bank	88	10	1.13%	92	8	1.18%
First State Bank	-	-	0.00%	90	9	1.15%
Brookshire Brothers	-	-	0.00%	85	10	1.09%
	<u>2,107</u>		<u>27.01%</u>	<u>2,615</u>		<u>33.53%</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,				
FUNCTION/PROGRAM		2009	2010	2011	2012	2013
Administrative	B	10	10	12	12	12
Fire	A	2	2	2	2	2
Police Officers		18	18	18	18	18
Other staff		6	6	8	8	8
Paving and street		5	6	5	6	4
Parks and recreation		11	11	8	8	7
Library		5	5	5	5	5
Garage		2	2	2	2	2
Electric, Water & Sewer		<u>18</u>	<u>19</u>	<u>17</u>	<u>16</u>	<u>17</u>
Total		<u>77</u>	<u>79</u>	<u>77</u>	<u>77</u>	<u>75</u>

Sources: Various City Departments

- A. The City does not have a paid fire department. The City has approximately 41 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.

2014	2015	2016	2017	2018
12	12	12	11	13
2	1	1	1	1
18	18	18	18	19
8	8	8	7	8
6	7	6	7	5
9	9	9	9	8
5	5	5	5	5
2	2	2	2	2
<u>21</u>	<u>19</u>	<u>20</u>	<u>20</u>	<u>18</u>
<u>83</u>	<u>81</u>	<u>81</u>	<u>80</u>	<u>79</u>

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

FUNCTION/PROGRAM	Fiscal Year			
	2009	2010	2011	2012
Police				
Violations (Traffic & Criminal)	3,309	3,317	4,494	4,880
Fire				
Fire Calls	797	717	850	613
Library				
Volumes of Books	22,409	22,287	23,544	21,759
Electric				
Average daily kilowatt hours sold	230,289	238,439	243,342	227,099
Total customers	3,331	3,296	3,286	3,295
Water				
Average daily consumption	1,480,375	1,567,956	1,611,014	1,507,419
Total connections	3,270	3,265	3,251	3,261

Sources: Various City Departments

2013	2014	2015	2016	2017	2018
4,881	4,588	4,402	4,840	4,273	4,735
572	508	531	592	587	627
19,599	18,335	19,798	19,817	21,305	19,466
232,027 3,310	232,292 3,320	234,643 3,316	230,634 3,313	282,310 3,286	229,114 3,321
1,956,984 3,293	1,847,951 3,286	1,458,384 3,299	1,528,677 3,289	1,569,050 3,291	1,553,392 3,302

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

FUNCTION/PROGRAM	Fiscal Year			
	2009	2010	2011	2012
Police				
Patrol Units	8	10	10	16
Fire				
Stations and substation	3	3	3	3
Vehicles including fire trucks	17	17	17	17
Paving and Street				
Miles of Paved Streets	55.74	58.06	58.06	58.06
Miles of Paved Sidewalks	12.50	12.50	12.50	12.50
Street lights	721	723	818	824
Night lights	468	424	435	452
Parks & Recreation				
Acres of Parks	373.50	373.50	373.50	373.50
Water				
Miles of water mains	35.98	40.43	45.25	45.78
Storage capacity-gallons	2,150,000	2,150,000	2,150,000	2,150,000
Sewer				
Miles of sewer lines	78.88	80.00	80.00	80.00

Sources: Various City Departments

2013	2014	2015	2016	2017	2018
16	16	17	17	19	19
3 15	3 17	3 15	3 15	4 15	4 16
58.06 12.50 819 452	58.06 12.50 821 467	58.06 12.50 826 463	59.06 12.50 828 472	59.06 12.50 828 481	59.06 12.50 830 483
373.50	373.50	373.50	373.50	373.50	373.50
45.78 2,150,000	46.63 3,150,000	47.43 3,300,000	48.18 3,300,000	48.49 3,300,000	48.51 3,300,000
80.75	80.75	81.30	81.60	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

2009	5,537	2014	5,572
2010	5,554	2015	5,572
2011	5,572	2016	5,572
2012	5,572	2017	5,572
2013	5,572	2018	5,572

TRANSPORTATION FACILITIESStreets

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 FACILITIESWater Mains

12" 9.40 miles
8" 13.61 miles
6" 21.15 miles
20" 4.35 miles

Water Pumpage

Present requirements 2,203,000
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+	4
Electric	7	20-30	8
Water	7	15-19	12
Sewer	4	10-14	14
Police	27	6-9	15
Street	5	1-5	21
Parks and Recreational	6	Less than (one) year	5
Library	5		
Garage	2		
Community Devel.	2		
Fire	1		
Main Street	1		
Trade Days	2		
Total	<u>79</u>		<u>79</u>

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/Medicare

(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 Officer Certificate Pay

Earned personal leave days (Two)

Paid uniforms for all service personnel

Award program-Annual banquet, safety,

Healthy initiative program

service, attendance, and volunteer awards

Water/Wastewater Certificate pay

Education tuition reimbursement

Family Leave (FMLA)

Workers Compensation Program

CITY OF LIVINGSTON, TEXAS

MISCELLANEOUS STATISTICAL DATA - UNAUDITED

<u>POLICE PROTECTION</u>	
<u>Personnel</u>	
One (1) Chief	One (1) Municipal Court Judge
One (1) Lieutenant	One (1) Secretary/Comm. Spv
Four (4) Sergeants	One (1) Municipal Court Clerk
Two (2) Detectives	One (1) Records Clerk
Nine (9) Officers	One (1) Associate Municipal
Four (4) Reserve Officers	Court Judge
Four (4) Telecommunication Officers	
One (1) Relief Telecommunication Officer	
One (1) Animal Control Officer	
Two (2) School Officers	
<u>FIRE PROTECTION</u>	
<u>Personnel</u>	<u>Housing</u>
One (1) Fire Chief	1992 Station 1 - 8 Truck bays, 2 offices 1 classroom, and 1 workroom
Forty-one (41) volunteer firemen	
One (1) radio dispatcher - full time and (standby-PD)	1996 Station 2 - 5 Truck bays
One (1) secretary	2007 Station 3 - 2 Truck bays
<u>Equipment</u>	2016 Station 4 - 4 Truck bays
Five (5) pumbers (4-1250 GPM; 1-750 GPM)	
One (1) aerial ladder truck (1750 GPM)	Fire Training Field - Used for live
Two (2) tankers (3000 gal. capacity)	fire training and other rescue classes
One (1) Haz-Mat truck	
Two (2) rescue boats and equipment	
One (1) Command Post-32' self-contained	
Radio communication system including 50 mobile units, dispatch module and 6 remotes	
"Jaws" of life (6 sets with 1 set of air bags)	
Water rescue equipment	
Trench rescue equipment	
Rope rescue equipment	
Three (3) Thermal imagers	
Two (2) utility vehicles	<u>Total Fire Calls</u> 2017-2018 - 627 fire calls
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	

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 1,145 Inactive Customers N/A
(1) LivCom	Telephone System	Access Lines - 4,774
(1) LivCom	Television Cable	Customers - 484
City of Livingston	Electric & Water Systems	Electric Customers 3,321 Water Customers 3,302
(1) Information provided by individual corporate offices		

CITY ELECTRIC DEPARTMENT STATISTICS (LAST TEN YEARS)

Fiscal Year	Number of Customers	KWH Consumed		Total
		Residential	Commercial	
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
2018	3,321	29,401,722	54,224,892	83,626,614

CITY OF LIVINGSTON, TEXAS

MISCELLANEOUS STATISTICAL DATA - UNAUDITED

MUNICIPAL SALES TAX

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
2017-18	\$ 4,055,937

WATER DEPARTMENT STATISTICS (LAST TEN YEARS)

Year	Gallons Consumed *	Gallons Pumped
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
2018	566,988,000	809,890,000

* Water consumption at municipally-owned facilities not included.

* EDUCATIONAL FACILITIESPublic Schools

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

Public School Administrative Personnel

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

Public School Miscellaneous Data

Teachers - 273 Certified
 115 Aides Para Professional
 94 Auxiliary
 Average Daily Attendance - 3,747.1 Inclusive

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

College
 Angelina Junior College/
 Polk County Commerce Center Fall 2018
 Enrollment 330

* Information provided by Livingston Independent School District Business Office.

CITY OF LIVINGSTON, TEXAS

MISCELLANEOUS STATISTICAL DATA - UNAUDITED

CULTURAL AND RECREATIONAL ACTIVITIESBarney Wiggins Fairgrounds

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

Matthews Park

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

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; 2018 - 19,466

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 2018	38,121
* Number voting in last general election November 2018	16,760
Number of registered voters in City 2018	3,104
** Number voting in last Municipal election (May 2016)	247
Percentage of voters voting:	
Last general election (County) (November 2018)	43.97%
** 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, 2018

Name	Title	Amount of Surety Bond
Judy Cochran	Mayor	\$ 25,000
Alan Cook	Mayor Pro-tem	25,000
Raymond Luna	Alderman	25,000
Elgin Davis	Alderman	25,000
Marion Smith	Alderman	25,000
Clarke Evans	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
James Wright	City Attorney	25,000

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