

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



**FOR THE FISCAL YEAR ENDED**  
**SEPTEMBER 30, 2019**



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

**FISCAL YEAR  
OCTOBER 1, 2018 - SEPTEMBER 30, 2019  
ISSUED BY: FINANCE DEPARTMENT  
PATRICIA CRAWFORD**

**CITY OF LIVINGSTON, TEXAS  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
SEPTEMBER 30, 2019**

**TABLE OF CONTENTS**

	<b><u>PAGE</u></b>
<b>INTRODUCTORY SECTION</b>	
Title Page	
Table of Contents	i-iv
Finance Director's Comprehensive Letter of Transmittal	v-x
List of Principal Officials	xi
Organizational Chart	xii
Certificate of Achievement for Excellence in Financial Reporting	xiii
<b>FINANCIAL SECTION</b>	
Independent Auditor's Report	2-3
Management's Discussion and Analysis (unaudited)	4-13
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Position	15-16
Statement of Activities	17-18
Fund Financial Statements:	
Governmental Funds:	
Balance Sheet	19-20
Statement of Revenues, Expenditures, and Changes in Fund Balances	21-22
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	23
Statement of Revenues, Expenditures and Changes in Fund Balance Budget (GAAP Basis) and Actual	25-26

## **TABLE OF CONTENTS - Continued**

	<b><u>PAGE</u></b>
Proprietary Funds:	
Statement of Net Position	27-28
Statement of Revenues, Expenses and Changes in Fund Net Position	29
Statement of Cash Flows	30-31
Notes to Basic Financial Statements	33-54
Required Supplementary Information:	
Texas Municipal Retirement System Schedule of Changes in Net Pension Liability and Related Ratios	57
Texas Municipal Retirement System Schedule of Contributions	58
Texas Municipal Retirement System Schedule of Changes in Total Other Postemployment Benefits and Related Ratios	59
Other Supplementary Information:	
Schedules of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual:	
Budgetary Comparison Schedule Debt Service Fund	61-62
Individual Fund Financial Statements and Schedules:	
General Fund:	
Comparative Balance Sheet	66
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget (GAAP Basis) and Actual	67-68
Schedule of Expenditures-Budget (GAAP Basis) and Actual	69-76
Debt Service Fund:	
Comparative Balance Sheet	78
Budgetary Comparison Schedule	79-80



## TABLE OF CONTENTS - Continued

	<b><u>PAGE</u></b>
<b>Proprietary Fund:</b>	
Comparative Statement of Net Position Electric, Water and Sewer Fund	83-84
Comparative Statement of Revenues, Expenses and Changes in Net Position Electric, Water, and Sewer Fund	85
Comparative Statement of Cash Flows Electric, Water, and Sewer Fund	86-87
<b>Enterprise Fund:</b>	
Schedule of Expenses by Department - Compared to Budget	89-92

<b>STATISTICAL SECTION</b>	<b><u>TABLE</u></b>	<b><u>PAGE</u></b>
<b>Financial Trends:</b>		
Net Position by Component - Last Ten Fiscal Years	A-1	95-96
Changes in Net Position - Last Ten Fiscal Years	A-2	97-98
Fund Balances Governmental Funds - Last Ten Fiscal Years	A-3	99-100
Changes in Fund Balances, Governmental Funds - Last Ten Fiscal Years	A-4	101-102
<b>Revenue Capacity:</b>		
Assessed and Estimated Actual Value of Taxable Property - Last Ten Fiscal Years	B-1	105-106
Property Tax Rates and Tax Levies – Direct and Overlapping Governments - Last Ten Fiscal Years	B-2	107
Principal Revenue Payers - Current and Nine Years Ago	B-3	108
Property Tax Levies and Collections - Last Ten Fiscal Years	B-4	109-110
Taxable Sales by Category - Last Ten Fiscal Years	B-5	111-112
Electrical, Water and Sewer Revenues - Last Ten Fiscal Years	B-6	113-114
<b>Debt Capacity:</b>		
Ratios of Outstanding Debt by Type - Last Ten Fiscal Years	C-1	117-118
Ratio of Net General Bonded Debt to Assessed Value and Net Bonded Debt per Capita – Last Ten Fiscal Years	C-2	119-120

## **TABLE OF CONTENTS – Continued**

<b>STATISTICAL SECTION</b>	<b><u>TABLE</u></b>	<b><u>PAGE</u></b>
Computation of Direct and Overlapping Debt	C-3	121
Computation of Legal Debt Margin	C-4	122
Demographic and Economic Information:		
Demographic and Economic Statistics – Last Ten Fiscal Years	D-1	125
Principal Employers – Current and Nine Years Ago	D-2	126
Operating Information:		
Full-Time Equivalent City Government Employees by Function/Program – Last Ten Fiscal Years	E-1	129-130
Operating Indicators by Function/Program – Last Ten Fiscal Years	E-2	131-132
Capital Assets Statistics by Function/Program – Last Ten Fiscal Years	E-3	133-134
Miscellaneous Statistical Data – Unaudited	F-1 – F-6	137-142
City Officials	F-7	143





# *City of Livingston, Texas*

A Texas Main Street City Since 2005

200 West Church Street, Livingston, Texas 77351-3281

Telephone: (936) 327-4311

Fax: (936) 327-7608

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

---

February 28, 2020

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, 2019 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, Alan 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.

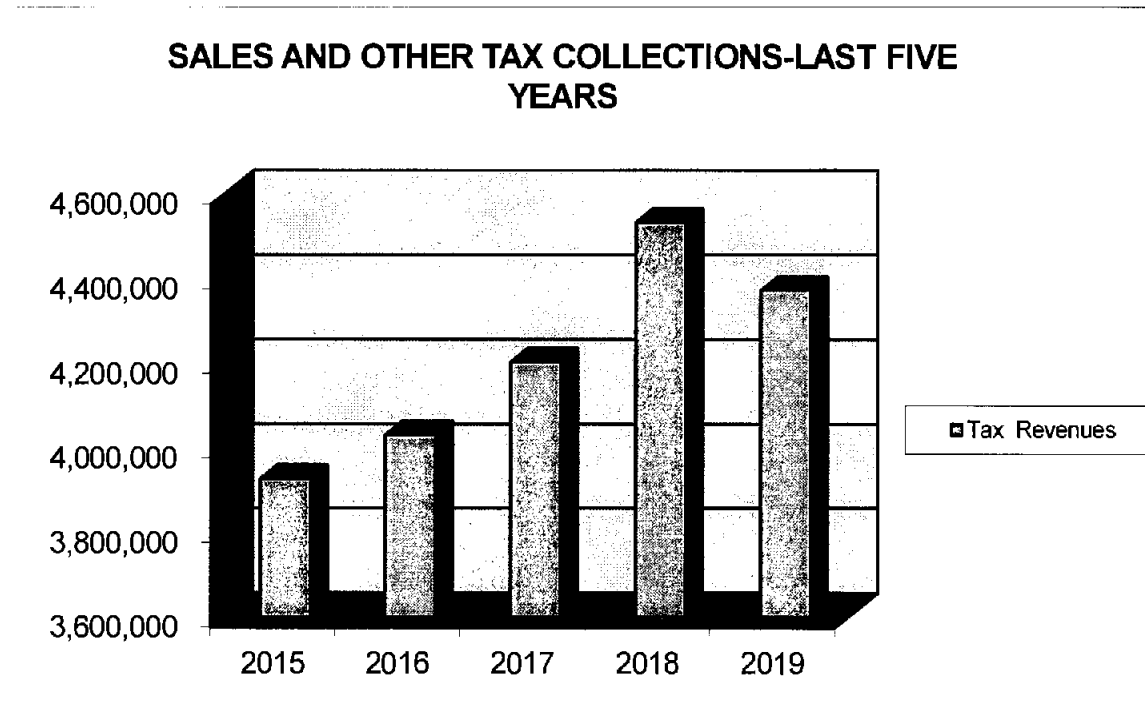


## ECONOMIC OUTLOOK AND FINANCIAL CONDITION

The local economy experienced a modest decline in most economic indicators in 2019. Sales tax revenue, a major indicator of the economic condition of the area, decreased from \$4,056,000 to \$3,889,000, a decrease of \$167,000 or 4.1%.

In fiscal 2019, hotel occupancy tax decreased by 2.9%, gross receipts and franchise fees increased by 15.2%, sanitation service revenue decreased by 1.0%, municipal court fines increased by 2.5%, and parks and recreation and library user fees decreased by 17.6%.

A graph of tax receipts follows:



The Utility Fund revenues, including electric and water sales, were affected by milder than normal temperatures and frequent rainfall this past year. While both electric sales revenue and electric kWh sales decreased, it was only a minimal decrease. The total gallons of water consumed was increased. 1.2% from 566,988,000 gallons in fiscal year 2018 as compared to 573,640,000 gallons in fiscal year 2019. The TDCJ Polunsky Unit continued as the City's largest water and wastewater user consuming 285,286,000 gallons of water with the IAH federal detention facility, located on FM 350 South, as the second largest water and wastewater user consuming 36,086,000 gallons of water. Together, these two facilities represent 56.40% of water and sewer consumption, or 321,372,000 gallons of the total water consumed in fiscal year 2019.

### Economic Development

A total of 60 building permits were issued by the City of Livingston for commercial and residential construction projects in calendar year 2019 with a total construction value of \$10,696,399. 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

Work is ongoing on the construction of the two (2) elevated water storage tanks. The Walnut Street tank will have a capacity of 400 million gallons while the West Street tank will have a capacity of 150 million gallons. We are hoping that the towers will be erected and fully functional by the end of the 2020 calendar year.

- We are finishing up the SCADA Monitoring System that is being installed on our 21 sewer lift stations throughout the City.
- Our Public Works / Construction Team built a new office building for the wastewater treatment plant.
- Due to Windows 10 software requirements, the Administration, Police, Library and Utility Billing Departments purchased thirty-four (34) new computers and has completed the installation of all but a few of them.
- In Fiscal 2020 our Water Department will be installing a 12" water line on the Hwy 59 Bypass Loop which will require an underground bore. This water line installation will complete a loop that will improve the water service for our citizens in that area.

## Future Economic Outlook

The Angelina College Satellite Campus here in Livingston is reporting a Fall 2019 enrollment of 556 students which will improve education, job training and employment skills for our residents.

The Congressional designation of the U.S. Hwy 190 East/West corridor through Livingston as a future interstate highway (I-14) will affect the growth and development of the community.

The opening of the Naskila Entertainment Center on the Alabama-Coushatta Indian Reservation located just 17 miles east of Livingston is having a tremendous effect on local tourism and employment in the area. They have contributed over 330 new jobs which include insurance and retirement plans. If they win their litigation with the Federal Government, they have plans for a massive expansion.

The City of Livingston and the County of Polk are high on the list of Texas communities eligible for 9.0% competitive housing tax credits through the Texas Department of Housing and Community Affairs. These tax credits provide incentives for investors to build new housing (apartments) or for the rehab of existing apartment complexes. The City has already approved the construction of a 80 unit apartment complex located on West Park Drive which will be completed this summer and are entertaining another 80-unit complex to be built off Dogwood Avenue. In addition, we have 3 existing apartment complexes that are seeking funding from the program to do major rehab work on their units.

We are encouraged with the prospects of the new year; sales tax revenue has increased for the first two months of the 2019-2020 fiscal year by 3.4% from the first two months of the 2018-2019 fiscal year. Our Hotel Occupancy Tax revenue is expected to increase by 7.1% in 2020 and our Community Development Coordinator gets calls and e-mails daily about firms wanting to move into our city.



Going forward, after completion of the capital improvements mentioned earlier, we plan on focusing our attention on street improvements, the installation of "smart meters" for our electrical and water departments, more active code enforcement of dilapidated buildings, junk vehicles and vacant lots, and improved beautification efforts along with community pride projects.

#### 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 2019 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, 2019, have been audited by Independent Public Accountants, and their opinion is included in this report.

##### Awards

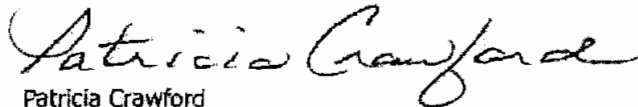
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its comprehensive annual financial report for the fiscal year ended September 30, 2018. This was the thirty-first consecutive year (fiscal years ended 1988-2018) 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,

A handwritten signature in cursive script that reads "Patricia Crawford". The signature is fluid and elegant, with a large initial "P" and a long, sweeping underline.

Patricia Crawford  
Finance Director



# **CITY OF LIVINGSTON, TEXAS**

**September 30, 2019**

## **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

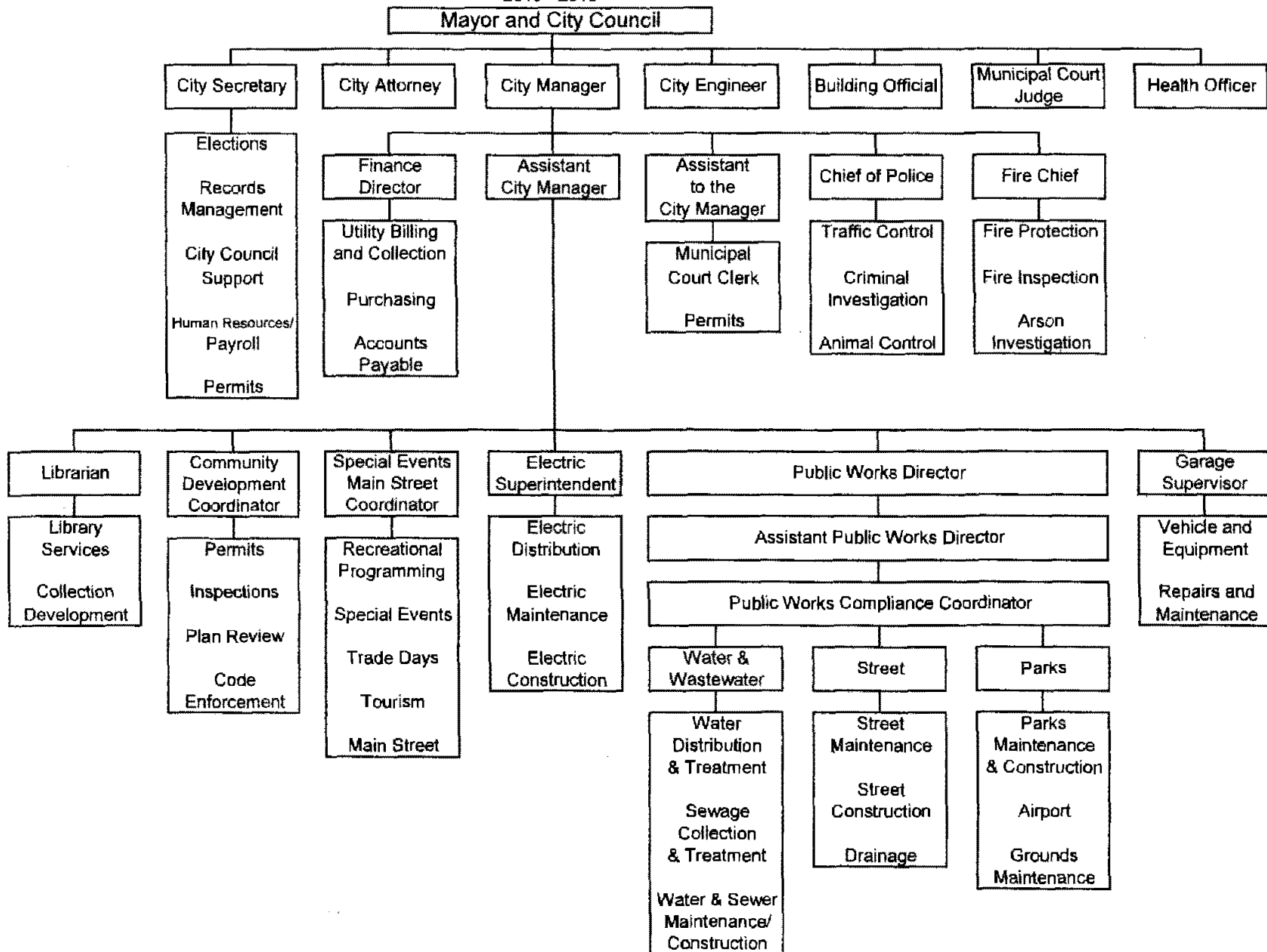
### **Form of Government**

Council - Manager

General Law City

**CITY OF LIVINGSTON, TEXAS  
ORGANIZATIONAL CHART  
2018 - 2019**

*Approved by City Council 9-11-18*





Government Finance Officers Association

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

Presented to

**City of Livingston  
Texas**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**September 30, 2018**

*Christopher P. Morrell*

Executive Director/CEO



**(This Page Intentionally Left Blank)**

## **FINANCIAL SECTION**

**(This Page Intentionally Left Blank)**

**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, 2019, 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 an opinion 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, 2019, 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 an opinion 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.*

HARPER & PEARSON COMPANY, P.C.

Houston, Texas  
February 28, 2020

**CITY OF LIVINGSTON, TEXAS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**SEPTEMBER 30, 2019**

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, 2019. 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 \$175,000 or 3.0% as a result of the year's operations, and transfers from the City's business type activities. The decrease from operations was due primarily to an increase in operating costs for the sanitation, fire, police and library departments of approximately \$396,000. Net position of the City's business type activities increased by \$5,454,000 or 13.5% during 2019. This increase was primarily a result of operating results for 2019 which reflected higher recoveries from the Cambridge project.
- The City's total net position increased by \$5,628,000 or 12.2% during the current fiscal year. The increase is the result of the changes described above.
- Total cost of the City's government programs increased \$507,000 or 6.7%. 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, 2019, the City of Livingston's governmental funds reported combined ending fund balances of \$1,992,000, an increase of \$35,000 from the prior fiscal year. The lower than normal increase is due primarily to a decrease in transfers from the Electric, Water and Sewer fund of \$165,000.
- At the end of the current fiscal year, the unassigned fund balance for the general fund was \$1,970,000 or approximately 25.4% of total general fund expenditures.
- The City's total bonded debt decreased by \$220,000 during the current fiscal year.
- In December, 2019 the City paid off the outstanding bonds using excess funds in the Electric, Water, and Sewer Fund.

**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 \$51,745,000 as of September 30, 2019. Analyzing the net position of governmental and business-type activities separately, the business type activities net position is \$45,882,000. 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 (55.37%) reflects its investment in capital assets (e.g., land, water rights, buildings, machinery, equipment, and infrastructure); less any related debt used to acquire those assets that are still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

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

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

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total Primary Government</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
Current and other assets	\$ 2,348,708	\$ 2,179,124	\$ 26,007,297	\$ 20,913,507	\$ 28,356,005	\$ 23,092,631
Capital assets	11,401,989	11,326,496	42,045,912	41,917,012	53,447,901	53,243,508
Total Assets	13,750,697	13,505,620	68,053,209	62,830,519	81,803,906	76,336,139
Deferred Outflows	1,158,044	382,186	666,477	197,374	1,824,521	579,560
Total assets and deferred outflows of resources	14,908,741	13,887,806	68,719,686	63,027,893	83,628,427	76,915,699
Long-term debt outstanding	5,480,000	5,700,000	19,315,000	19,990,000	24,795,000	25,690,000
Other liabilities	3,559,410	1,700,815	3,518,364	2,195,474	7,077,774	3,896,289
Total Liabilities	9,039,410	7,400,815	22,833,364	22,185,474	31,872,774	29,586,289
Deferred Inflows	6,911	799,085	4,059	413,735	10,970	1,212,820
Total liabilities and deferred inflows of resources	9,046,321	8,199,900	22,837,423	22,599,209	31,883,744	30,799,109
Net position (deficit):						
Net investment in capital assets	5,921,989	5,626,496	22,730,912	21,927,012	28,652,901	27,553,508
Restricted	6,430	9,848	509,084	797,893	515,514	807,741
Unrestricted	(65,999)	51,562	22,642,267	17,703,779	22,576,268	17,755,341
Total net position	\$ 5,862,420	\$ 5,687,906	\$ 45,882,263	\$ 40,428,684	\$ 51,744,683	\$ 46,116,590

A portion of the City's net position (1.0%) represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net position \$22,576,268 may be used to meet the government's ongoing obligations to citizens and creditors.

As of September 30, 2019, 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, 2019 as a result of reduced transfers from the business-type activities in that year. The City intends to return to a positive unrestricted net position for governmental activities through transfers from the business-type activities, which continue to reflect positive balances in net position.



The governmental activities total assets increased by \$245,000. This increase was primarily related to higher capital additions in 2019. Long-term debt of governmental activities decreased by \$220,000 as a result of the payment on outstanding bonds. The long-term debt of the business type activities decreased by \$675,000 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 \$5,628,093 primarily due the increase in recoveries from the Cambridge project.

### **Governmental Activities**

Governmental activities increased net position by \$174,514 from operating activities and transfers from the Electric, Water and Sewer Fund. Net position invested in capital assets, net of related debt increased by \$295,493 or 5.2% due to the repayment of outstanding bonds and investment in equipment, buildings, and infrastructure net of depreciation. Unrestricted net position decreased by \$117,561 once again as a result of reduced transfers from the Electric, Water and Sewer Fund.

Total revenues for governmental activities decreased from the previous year by \$75,868. The primary decrease was in sales tax of \$167,363. Expenses increased by 6.7% and were generally increased in most departments but primarily in the police department due to increased personnel costs.

### **Business-Type Activities**

Net position from business-type activities increased by \$5,453,579 or 13.5% from \$40,428,684 in 2018 to \$45,882,263 in 2019. The increase was primarily due to electric recoveries of approximately \$7,000,000 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 \$1,022,000 along with operating results for the year, net of transfers to governmental activities of \$1,760,074.

The following table provides a summary of the City's operations for year ended September 30, 2019 with comparative totals for year ended September 30, 2018.

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

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total Primary Government</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
Revenues:						
Program Revenues:						
Charges for						
Services	\$ 1,971,894	\$ 1,905,855	\$ 22,967,800	\$ 18,444,719	\$ 24,939,694	\$ 20,350,574
Capital Grants & Contributions	-	-	39,970	-	39,970	-
Operating Grants & Contributions	80,759	64,384	-	-	80,759	64,384
General Revenues:						
Property tax	-	-	-	-	-	-
Sales tax	3,888,574	4,055,937	-	-	3,888,574	4,055,937
Franchise tax	132,500	115,006	-	-	132,500	115,006
Hotel/Motel tax	352,302	362,937	-	-	352,302	362,937
Investment earnings	6,525	4,303	14,234	9,056	20,759	13,359
<b>Total Revenues</b>	<b>6,432,554</b>	<b>6,508,422</b>	<b>23,022,004</b>	<b>18,453,775</b>	<b>29,454,558</b>	<b>24,962,197</b>
Expenses:						
Administration	624,090	546,294	-	-	624,090	546,294
Sanitation	812,677	764,143	-	-	812,677	764,143
Fire	547,489	510,309	-	-	547,489	510,309
Police	2,545,281	2,269,710	-	-	2,545,281	2,269,710
Paving & Street Parks & Recreation	1,276,557	1,335,446	-	-	1,276,557	1,335,446
Library	1,183,383	1,113,057	-	-	1,183,383	1,113,057
Garage	554,824	519,798	-	-	554,824	519,798
Interest on long- term debt	285,713	255,314	-	-	285,713	255,314
Electric, Water, and Sewer	188,100	197,100	-	-	188,100	197,100
	-	-	15,808,351	15,082,355	15,808,351	15,082,355
<b>Total Expenses</b>	<b>8,018,114</b>	<b>7,511,171</b>	<b>15,808,351</b>	<b>15,082,355</b>	<b>23,826,465</b>	<b>22,593,526</b>
Excess (deficiency) before transfers	(1,585,560)	(1,002,749)	7,213,653	3,371,420	5,628,093	2,368,671
Transfers, net	1,760,074	1,925,344	(1,760,074)	(1,925,344)	-	-
Increase (decrease) in net position	174,514	922,595	5,453,579	1,446,076	5,628,093	2,368,671
Net position - October 1	5,687,906	4,944,763	40,428,684	38,982,608	46,116,590	43,927,371
Change in Accounting	-	(179,452)	-	-	-	(179,452)
Net position - September 30	\$ 5,862,420	\$ 5,687,906	\$ 45,882,263	\$ 40,428,684	\$ 51,744,683	\$ 46,116,590

## **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 \$1,992,073. Approximately 98.9% of the total amount (\$1,969,614) constitutes unassigned fund balance. The remainder of the fund balance is restricted to indicate that because of restrictions of external parties (creditors and contributors) it is not available for new spending because it has been restricted to pay for debt service (\$6,430) and library (\$16,029) capital improvements.

The unassigned fund balance of the general fund increased by \$25,302 from the prior year. The increase was the result of transfers from the Electric Water and Sewer fund. The restricted fund balance of the general fund decreased by \$3,418 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 \$225,000 on a GAAP basis. Due to a decrease in expected street department improvements and an increase in sales tax receipts over budgeted amounts along with transfers from the proprietary fund, the actual fund balance increased by \$25,302.

### **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 \$22,642,267. Total unrestricted net position increased in 2019 by \$4,938,488. As previously described, the increase compared to 2018 in the net position was primarily the result of an increase in electric recoveries from the Cambridge Project and decreased 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 \$124,253 or 2.0%. The increase in budgeted revenues was primarily for an increase in sales tax revenues. Budgeted expenditures were increased by \$196,000 or 2.6%. The increase in budgeted expenditures were primarily for increased fire department capital improvements.

## CAPITAL ASSET AND DEBT ADMINISTRATION

### Capital Assets

At the end of the fiscal year 2019, the City had \$53,447,901 (net of accumulated depreciation) invested in a broad range of capital assets, including police and fire equipment, buildings, park facilities, roads, bridges, electrical, water and sewer lines and water service contract rights. The total increase in the City's investment in capital assets for the current fiscal year was .4% (.7% increase for governmental activities and a .3% increase in business-type activities) (See Table 3).

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

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Totals</b>	<b>Totals</b>
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
Land	\$ 476,004	\$ 476,004	\$ 694,222	\$ 694,222	\$ 1,170,226	\$ 1,170,226
Water Rights	-	-	19,315,000	19,990,000	19,315,000	19,990,000
Buildings and improvements	3,746,813	3,874,398	261,565	273,057	4,008,378	4,147,455
Equipment and fixtures	1,938,334	1,502,454	514,653	413,854	2,452,987	1,916,308
Paving, sidewalks and streets	4,148,679	4,544,037	-	-	4,148,679	4,544,037
Parks development	974,908	842,890	-	-	974,908	842,890
Airport improvements	117,251	86,713	-	-	117,251	86,713
Utility systems	-	-	21,260,472	20,545,879	21,260,472	20,545,879
Total	<u>\$ 11,401,989</u>	<u>\$ 11,326,496</u>	<u>\$ 42,045,912</u>	<u>\$ 41,917,012</u>	<u>\$ 53,447,901</u>	<u>\$ 53,243,508</u>

This year's major additions included:

Police vehicles	\$ 138,633
Various street improvements	155,712
Parks development	190,839
Utility System Improvements	<u>1,157,480</u>
Total	<u>\$ 1,642,664</u>

The City's fiscal year 2020 capital budget calls for it to spend another \$5,464,000 for capital projects, principally for street improvements (\$75,000) police patrol car (\$45,000), garage vehicles (\$62,000), computer equipment and server upgrades (\$100,000), and water and sewer system improvements (\$2,500,000). Additional information on the City of Livingston's capital assets can be found in footnote 6 on pages 41-43 of this report.

## Debt

At year-end, the City had \$5,480,000 in bonds outstanding as compared to \$5,700,000 at the end of the prior fiscal year, a decrease of 9.6% - as shown in Table 4.

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

	Governmental Activities		Business-Type Activities		Totals	
	2019	2018	2019	2018	2019	2018
Certificates of obligation (backed by the City)	\$ 5,480,000	\$ 5,750,000	\$ -	\$ -	\$ 5,480,000	\$ 5,750,000
Totals	\$ 5,480,000	\$ 5,750,000	\$ -	\$ -	\$ 5,480,000	\$ 5,750,000

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. As discussed in footnote 19, the outstanding bonds were repaid in December, 2019.

## 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 2019-2020 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 2019-2020 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 tax since 1988. Currently, sales tax revenue accounts for approximately 12.5% of the City's total annual operating revenue. For the fiscal year ending September 30, 2019, sales tax revenue decreased slightly by 4.1% but remains very strong. 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.

As for the City's business-type activities, fees for electric, water and sewer services account for about 80.42% of the City's total annual operating revenue. The beginning of Fiscal 2020 has been very encouraging for the City. There has been an increase of new commercial activity which hopefully will produce additional sales tax revenue, development fees, utility service fees and employment opportunities.

- The City has renewed its Raw Water Contract with the Trinity River Authority of Texas. It has been extended for 50 years which should cover the City's water demands until 2070. The City will be purchasing 3 MGD and have an option to purchase an additional 4.5 MGD.



- In December, the City paid off the outstanding balance of our Certificates of Obligation Series 2012 Bonds in the amount of \$5.6 million. This results in an improvement of annual cash flow position due to the reduction of approximately \$400,000 a year in debt service payments. This savings, along with the estimated \$529,000 in increased revenue generated from our water and sewer rate increases, will offset the increased raw water costs resulting from the contract renewal with the Trinity River Authority.

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 2020, the City Council and management staff will continually reevaluate and revise, if necessary, the initiatives based upon 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, 2019**

	<b>PRIMARY GOVERNMENT</b>		
	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b><u>ASSETS</u></b>			
Cash	\$ 2,325,235	\$ 22,291,183	\$ 24,616,418
Certificates of deposit	-	1,500,000	1,500,000
Receivables:			
Returned checks receivable	370	34,941	35,311
Paving accounts receivable	23,103	-	23,103
Utility accounts receivable	-	1,672,089	1,672,089
Restricted assets - cash	-	509,084	509,084
Capital assets (net of accumulated depreciation):			
Land	476,004	694,222	1,170,226
Buildings and improvements	3,746,813	261,565	4,008,378
Equipment and fixtures	1,938,334	514,653	2,452,987
Paving, sidewalks and streets	4,148,679	-	4,148,679
Parks development	974,908	-	974,908
Airport improvements	117,251	-	117,251
Electrical system	-	4,416,815	4,416,815
Water system	-	9,883,965	9,883,965
Sewer system	-	6,959,692	6,959,692
Water service contract rights	-	19,315,000	19,315,000
Total Assets	<u>13,750,697</u>	<u>68,053,209</u>	<u>81,803,906</u>
<b><u>DEFERRED OUTFLOWS OF RESOURCES</u></b>			
Amounts related to pensions and other post postemployment benefits			
Contributions after December 31, 2018	324,213	175,932	500,145
Difference in investment returns	794,222	467,650	1,261,872
Change in Assumptions	39,609	22,895	62,504
Total Deferred Outflows of Resources	<u>1,158,044</u>	<u>666,477</u>	<u>1,824,521</u>
Combined Assets and Deferred Outflows of Resources	<u>\$ 14,908,741</u>	<u>\$ 68,719,686</u>	<u>\$ 83,628,427</u>

See accompanying notes to financial statements

**CITY OF LIVINGSTON, TEXAS**  
**GOVERNMENT-WIDE STATEMENT OF NET POSITION**  
**SEPTEMBER 30, 2019**

	<b>PRIMARY GOVERNMENT</b>		
	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b><u>LIABILITIES</u></b>			
Accounts payable	\$ 356,635	\$ 1,257,530	\$ 1,614,165
Meter deposits	-	573,903	573,903
Noncurrent Liabilities Due in More Than One Year:			
Net pension liability	2,983,922	1,686,931	4,670,853
Other post employment benefit liability	218,853	-	218,853
Due within one year	230,000	690,000	920,000
Due in more than one year	<u>5,250,000</u>	<u>18,625,000</u>	<u>23,875,000</u>
Total Liabilities	<u>9,039,410</u>	<u>22,833,364</u>	<u>31,872,774</u>
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>			
Amounts related to pensions			
Difference in expected and actual experience	<u>6,911</u>	<u>4,059</u>	<u>10,970</u>
Total Deferred Inflows of Resources	<u>6,911</u>	<u>4,059</u>	<u>10,970</u>
Combined Liabilities and Deferred Inflows of Resources	<u>9,046,321</u>	<u>22,837,423</u>	<u>31,883,744</u>
<b><u>NET POSITION</u></b>			
Net investment in capital assets	5,921,989	22,730,912	28,652,901
Restricted for:			
System improvements	-	62,386	62,386
Debt service	6,430	446,698	453,128
Unrestricted	<u>(65,999)</u>	<u>22,642,267</u>	<u>22,576,268</u>
Total Net Position	<u>\$ 5,862,420</u>	<u>\$ 45,882,263</u>	<u>\$ 51,744,683</u>

See accompanying notes to financial statements

**CITY OF LIVINGSTON, TEXAS**  
**GOVERNMENT-WIDE STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2019**

FUNCTIONS/PROGRAMS	Expenses	Program Revenues		
		Charges for Services	Capital Grants and Contributions	Operating Grants and Contributions
Governmental activities:				
Administrative	\$ 624,090	\$ 132,723	\$ -	\$ -
Sanitation	812,677	1,230,181	-	-
Fire	547,489	-	-	54,757
Police	2,545,281	406,947	-	1,776
Paving and street	1,276,557	908	-	-
Parks and recreation	1,183,383	179,350	-	-
Library	554,824	21,785	-	24,226
Garage	285,713	-	-	-
Interest on long-term debt	188,100	-	-	-
Total governmental activities	<u>8,018,114</u>	<u>1,971,894</u>	<u>-</u>	<u>80,759</u>
Business-type activities:				
Electric, water and sewer	<u>15,808,351</u>	<u>22,967,800</u>	<u>39,970</u>	<u>-</u>
Total business-type activities	<u>15,808,351</u>	<u>22,967,800</u>	<u>39,970</u>	<u>-</u>
Total primary government	<u>\$ 23,826,465</u>	<u>\$ 24,939,694</u>	<u>\$ 39,970</u>	<u>\$ 80,759</u>

General revenues:

- Taxes
  - Sales taxes
  - Franchise taxes
  - Hotel/Motel taxes
- Unrestricted investment earnings
- Capital Contributions and Transfers
- Total general revenues and transfers
- Change in net position
- Net position-beginning
- Net position-ending

See accompanying notes to financial statements

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

<b><u>Governmental Activities</u></b>	<b><u>Business-Type Activities</u></b>	<b><u>Total</u></b>
\$ (491,367)	\$ -	\$ (491,367)
417,504	-	417,504
(492,732)	-	(492,732)
(2,136,558)	-	(2,136,558)
(1,275,649)	-	(1,275,649)
(1,004,033)	-	(1,004,033)
(508,813)	-	(508,813)
(285,713)	-	(285,713)
(188,100)	-	(188,100)
<u>(5,965,461)</u>	<u>-</u>	<u>(5,965,461)</u>
-	7,199,419	7,199,419
-	7,199,419	7,199,419
<u>(5,965,461)</u>	<u>7,199,419</u>	<u>1,233,958</u>
3,888,574	-	3,888,574
132,500	-	132,500
352,302	-	352,302
6,525	14,234	20,759
<u>1,760,074</u>	<u>(1,760,074)</u>	<u>-</u>
<u>6,139,975</u>	<u>(1,745,840)</u>	<u>4,394,135</u>
174,514	5,453,579	5,628,093
5,687,906	40,428,684	46,116,590
<u>\$ 5,862,420</u>	<u>\$ 45,882,263</u>	<u>\$ 51,744,683</u>

See accompanying notes to financial statements



**CITY OF LIVINGSTON, TEXAS  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
SEPTEMBER 30, 2019**

	<u>General</u>	<u>Debt Service</u>
<b><u>ASSETS</u></b>		
Cash	\$ 2,318,805	\$ 6,430
Receivables:		
Returned checks receivable	370	-
Paving accounts receivable	<u>23,103</u>	<u>-</u>
Total Assets	<u>\$ 2,342,278</u>	<u>\$ 6,430</u>
<b><u>LIABILITIES</u></b>		
Accounts payable	<u>\$ 356,635</u>	<u>\$ -</u>
Total Liabilities	<u>356,635</u>	<u>-</u>
<b><u>FUND BALANCES</u></b>		
Restricted for:		
Library Memorials	16,029	-
Debt Service	-	6,430
Unassigned	<u>1,969,614</u>	<u>-</u>
Total Fund Balances	<u>1,985,643</u>	<u>6,430</u>
Total Liabilities and Fund Balances	<u>\$ 2,342,278</u>	<u>\$ 6,430</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

See accompanying notes to financial statements

<b>Total Governmental Funds</b>	
\$	2,325,235
	370
	<u>23,103</u>
\$	<u>2,348,708</u>
\$	356,635
	<u>356,635</u>
	16,029
	6,430
	<u>1,969,614</u>
	1,992,073
	11,401,989
	1,158,044
	(2,983,922)
	(218,853)
	(6,911)
	<u>(5,480,000)</u>
\$	<u>5,862,420</u>

See accompanying notes to financial statements

**CITY OF LIVINGSTON, TEXAS**  
**GOVERNMENTAL FUNDS**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2019**

---

	<u>General</u>	<u>Debt Service</u>
<b>REVENUES</b>		
Taxes:		
Sales taxes	\$ 3,888,574	\$ -
Franchise taxes	132,500	-
Hotel/Motel taxes	352,302	-
Licenses and permits	104,453	-
Charges for service	1,426,243	-
Fines and forfeitures	360,926	-
Miscellaneous	173,661	375
Total Revenues	<u>6,438,659</u>	<u>375</u>
<b>EXPENDITURES</b>		
Current:		
Administrative	606,816	-
Sanitation	812,556	-
Fire	935,850	-
Police	2,490,580	-
Paving and street	789,906	-
Parks and recreation	1,347,820	-
Library	458,705	-
Garage	326,891	-
Debt service:		
Principal retirement	-	220,000
Interest	-	188,100
Capital outlay:		
Street improvements	-	-
Total Expenditures	<u>7,769,124</u>	<u>408,100</u>
Deficiency of revenues over expenditures	<u>(1,330,465)</u>	<u>(407,725)</u>
<b>OTHER FINANCING SOURCES (USES)</b>		
Transfers in	1,760,074	404,307
Transfers out	(404,307)	-
Total other financing sources	<u>1,355,767</u>	<u>404,307</u>
Net change in fund balances	25,302	(3,418)
Fund Balances - beginning	<u>1,960,341</u>	<u>9,848</u>
Fund Balances - ending	<u>\$ 1,985,643</u>	<u>\$ 6,430</u>

See accompanying notes to financial statements

**Total  
Governmental  
Funds**

---

\$ 3,888,574  
132,500  
352,302  
104,453  
1,426,243  
360,926  
174,036  

---

6,439,034

606,816  
812,556  
935,850  
2,490,580  
789,906  
1,347,820  
458,705  
326,891

220,000  
188,100

-  

---

8,177,224

---

(1,738,190)

2,164,381  
(404,307)  

---

1,760,074

21,884

---

1,970,189

\$ 1,992,073

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, 2019**

---

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

Net changes in fund balances - total governmental funds	\$ 21,884
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	75,494
Change in the net pension liability reported as an increase in pension expense in the statement of activities	(143,047)
Change in the net other postemployment benefits reported as a decrease in employee insurance expense in the statement of activities	183
The issuance of long-term debt (e.g., bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.	<u>220,000</u>
Changes in net position of governmental activities	\$ <u>174,514</u>

See accompanying notes to financial statements

**(This Page Intentionally Left Blank)**

**CITY OF LIVINGSTON, TEXAS  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET (GAAP BASIS) AND ACTUAL  
YEAR ENDED SEPTEMBER 30, 2019**

	<b>Budgeted Amounts GAAP Basis</b>		
	<b>Original</b>	<b>Revisions</b>	<b>Final</b>
<b><u>REVENUES</u></b>			
Taxes:			
Sales taxes	\$ 3,811,000	\$ -	\$ 3,811,000
Franchise taxes	112,000	1,000	113,000
Hotel/Motel taxes	300,000	63,000	363,000
Licenses and permits	48,500	31,000	79,500
Charges for service	1,416,761	(21,747)	1,395,014
Fines and forfeitures	327,500	39,700	367,200
Miscellaneous	82,300	11,300	93,600
Total Revenues	<u>6,098,061</u>	<u>124,253</u>	<u>6,222,314</u>
<b><u>EXPENDITURES</u></b>			
Current:			
Administrative	643,800	(9,250)	634,550
Sanitation	705,000	-	705,000
Fire	565,900	396,800	962,700
Police	2,476,800	300	2,477,100
Paving and street	1,261,500	(166,000)	1,095,500
Parks and recreation	1,117,900	85,450	1,203,350
Library	442,150	(1,300)	440,850
Garage	<u>368,500</u>	<u>(110,000)</u>	<u>258,500</u>
Total Expenditures	<u>7,581,550</u>	<u>196,000</u>	<u>7,777,550</u>
Deficiency of revenues over expenditures	<u>(1,483,489)</u>	<u>(71,747)</u>	<u>(1,555,236)</u>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>			
Transfers in	1,976,386	(249,962)	1,726,424
Transfers out	<u>(377,366)</u>	<u>(18,900)</u>	<u>(396,266)</u>
Total other financing sources and (uses)	<u>1,599,020</u>	<u>(268,862)</u>	<u>1,330,158</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	<u>\$ 115,531</u>	<u>\$ (340,609)</u>	<u>\$ (225,078)</u>
Fund balance at beginning of year			
Fund balance at end of year			

See accompanying notes to financial statements

<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
\$ 3,888,574	\$ 77,574
132,500	19,500
352,302	(10,698)
104,453	24,953
1,426,243	31,229
360,926	(6,274)
173,661	80,061
<u>6,438,659</u>	<u>216,345</u>
606,816	27,734
812,556	(107,556)
935,850	26,850
2,490,580	(13,480)
789,906	305,594
1,347,820	(144,470)
458,705	(17,855)
326,891	(68,391)
<u>7,769,124</u>	<u>8,426</u>
<u>(1,330,465)</u>	<u>224,771</u>
1,760,074	33,650
(404,307)	(8,041)
<u>1,355,767</u>	<u>25,609</u>
25,302	<u>\$ 250,380</u>
<u>1,960,341</u>	
<u>\$ 1,985,643</u>	

See accompanying notes to financial statements



**CITY OF LIVINGSTON, TEXAS**  
**STATEMENT OF NET POSITION PROPRIETARY FUNDS**  
**SEPTEMBER 30, 2019**

	<u><b>Business-Type Activities - Enterprise Fund</b></u>
	<u><b>Electric Water and Sewer</b></u>
<b>ASSETS</b>	
Current assets:	
Cash	\$ 22,291,183
Certificates of deposit	1,500,000
Restricted assets	
Cash in bank, water and sewer system improvements	62,386
Cash in bank, reserve fund	446,698
Receivables:	
Returned checks receivable	34,941
Utility accounts receivable	1,672,089
Total current assets	<u>26,007,297</u>
Noncurrent assets:	
Capital assets:	
Land	694,222
Building and improvements	507,925
Equipment and fixtures	2,738,303
Electrical system	6,461,431
Water system	13,118,966
Sewer system	10,378,670
Water service contract rights	19,315,000
	<u>53,214,517</u>
Less accumulated depreciation	<u>(11,168,605)</u>
Net capital assets	<u>42,045,912</u>
Total Assets	<u>68,053,209</u>
Deferred outflows of resources:	
Amounts related to pensions	
Contributions after December 31, 2018	175,932
Difference in investment returns	467,650
Change in Assumptions	22,895
	<u>666,477</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 68,719,686</u>

See accompanying notes to financial statements

**CITY OF LIVINGSTON, TEXAS**  
**STATEMENT OF NET POSITION PROPRIETARY FUNDS**  
**SEPTEMBER 30, 2019**

	<u>Business-Type Activities - Enterprise Fund</u>
	<u>Electric Water and Sewer</u>
<b><u>LIABILITIES</u></b>	
Current liabilities:	
Accounts payable	\$ 1,257,530
Meter deposits	573,903
Contracts payable - Trinity River Authority	690,000
Total current liabilities	<u>2,521,433</u>
Noncurrent liabilities due in more than one year:	
Net pension liability	1,686,931
Contracts payable - Trinity River Authority	18,625,000
Total noncurrent liabilities	<u>20,311,931</u>
Total liabilities	<u>22,833,364</u>
Deferred inflows of resources:	
Amounts related to pensions	
Difference in expected and actual experience	<u>4,059</u>
Total Deferred Inflows of Resources	<u>4,059</u>
Total Liabilities and Deferred Inflows of Resources	<u>22,837,423</u>
<b><u>NET POSITION</u></b>	
Net investment in capital assets	22,730,912
Restricted for water and sewer system improvements	62,386
Restricted for Trinity River Authority contracts payable	446,698
Unrestricted	<u>22,642,267</u>
Total Net Position	<u>\$ 45,882,263</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, 2019**

	<u><b>Business-Type Activities - Enterprise Fund</b></u>
	<u><b>Electric Water and Sewer</b></u>
<u>Operating revenues</u>	
Charges for sales and services:	
Electricity sales	\$ 9,195,501
Water sales	2,951,854
Sewer service charges	2,151,853
Penalties, utilities	147,283
Water tapping fees	11,690
Sewer tapping fees	7,800
Recoveries, electrical	8,064,476
Recoveries, water	279,514
Grants	39,970
Revenue, night lights	100,234
Service fees	57,595
Total Operating Revenues	<u>23,007,770</u>
<u>Operating expenses</u>	
Light and Power Department	10,199,040
Water Department	4,117,465
Sewer Department	918,833
Depreciation	573,013
Total Operating Expenses	<u>15,808,351</u>
Operating Income	7,199,419
Non-operating revenues:	
Interest income	<u>14,234</u>
Income Before Transfers	7,213,653
Transfers Out	<u>(1,760,074)</u>
Change in net position	5,453,579
Total net position - beginning	<u>40,428,684</u>
Total net position - ending	<u>\$ 45,882,263</u>

See accompanying notes to financial statements

**CITY OF LIVINGSTON, TEXAS  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

---

	<u><b>Business-Type Activities - Enterprise Fund</b></u>
	<u><b>Electric Water and Sewer</b></u>
Cash flows from operating activities:	
Cash received from customers	\$ 23,015,125
Cash payments to suppliers for goods and services	(13,218,086)
Cash payments to employees for services	<u>(1,582,888)</u>
Net cash provided by operating activities	<u>8,214,151</u>
Cash flows from noncapital financing activities:	
Transfers to other funds	<u>(1,760,074)</u>
Net cash used by noncapital financing activities	<u>(1,760,074)</u>
Cash flows from capital and related financing activities:	
Acquisition of capital assets	<u>(1,376,913)</u>
Net cash used for capital and related financing activities	<u>(1,376,913)</u>
Cash flows from investing activities:	
Interest on cash and investments	<u>14,234</u>
Net cash provided by investing activities	<u>14,234</u>
Net Change in Cash and Cash Equivalents	5,091,398
Cash and Cash Equivalents at Beginning of Year	<u>17,708,869</u>
Cash and Cash Equivalents at End of Year	<u>\$ 22,800,267</u>

(Continued)

**CITY OF LIVINGSTON, TEXAS  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

---

**Business-Type Activities - Enterprise Fund**

**Electric  
Water and  
Sewer**

Reconciliation of income from operations to net cash provided by operating activities:	
Income from operations	\$ 7,199,419
Adjustments to reconcile operating net income to net cash provided by operating activities:	
Depreciation	573,013
Change in operating assets and liabilities:	
Returned checks receivable	(681)
Utility accounts receivable	(1,711)
Deferred outflows	(469,103)
Accounts payable	290,629
Meter deposits	6,325
Net pension liability	1,025,936
Deferred inflows	<u>(409,676)</u>
Total adjustments	<u>1,014,732</u>
Net cash provided by operating activities	<u>\$ 8,214,151</u>
Reconciliation of total cash and cash investments:	
Unrestricted	\$ 22,291,183
Restricted	
Cash in bank, water and sewer system improvements	62,386
Cash in bank, reserve fund	<u>446,698</u>
Total cash and cash equivalents	<u>\$ 22,800,267</u>
	(Concluded)

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

**CITY OF LIVINGSTON, TEXAS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

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, 2019.

**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, and Electric, Water and Sewer Funds.
- (5) Budgets for the General, Debt Service, 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, 2019 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, 2019.

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, 2019:

<u>Fund</u>	<u>Transfer In</u>	<u>Transfer Out</u>
General Fund	\$ 1,760,074	\$ 404,307
Debt Service Fund	404,307	-
Electric, Water and Sewer Fund	-	1,760,074
Total	<u>\$ 2,164,381</u>	<u>\$ 2,164,381</u>

Transfers were made from the Electric, Water and Sewer Fund to the General Fund to compensate for general revenue shortfalls. Transfers from the General Fund to the Debt Service Fund were made to meet bond principal and interest obligations.

Unrestricted Net Position Deficit

The governmental activities reflected a deficit of \$66,000 in unrestricted net position for the year ended September 30, 2019. The City intends to remove the deficit by transferring funds from the Electric, Water and Sewer Fund to the General Fund.

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

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

**NOTE 3 DEPOSITS AND INVESTMENTS:**

As of September 30, 2019, the City had the following investments:

Investment Type	Fair Value	Weighted Average Maturity (Years)
Non-Pooled Certificates of Deposit	\$ 1,500,000	0.080
Total Fair Value	<u>\$ 1,500,000</u>	
Portfolio weighted average maturity		0.080

**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, 2019 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, 2019.

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 2019.

**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, 2019:

Governmental funds capital outlays	\$ 1,402,530
Governmental funds depreciation expense	<u>(1,327,036)</u>
Amount by which capital outlays exceeded depreciation	<u>\$ 75,494</u>
 Pension Expense based on contributions	 \$447,021
Pension Expense based on change in net pension liability	<u>(590,068)</u>
Amount by which pension contributions exceeded pension expense	<u>\$ (143,047)</u>
 OPEB Expense based on contributions	 \$14,401
OPEB Expense based on change in liability	<u>(14,218)</u>
Amount by which OPEB expense exceeded OPEB contributions	<u>\$ 183</u>
 Repayment of principal of long-term debt	 \$ 220,000
Total bonds issued and repayment of bonds	<u>\$ 220,000</u>

**NOTE 6 CAPITAL ASSETS:**

Capital asset activity for the year ended September 30, 2019 was as follows:

	Balance October 1, 2018	Additions	Retirements/ Adjustments	Balance September 30, 2019
Governmental Activities:				
Capital assets not being depreciated				
Land	\$ 476,004	\$ -	\$ -	\$ 476,004
Capital assets being depreciated				
Building and Improvements	6,872,620	89,069	1	6,961,688
Equipment and Fixtures	6,694,633	891,964	51,121	7,535,476
Paving, Sidewalks and Streets	16,839,846	155,709	-	16,995,555
Parks Development	3,658,434	223,155	-	3,881,589
Airport Improvements	719,575	42,633	1	762,207
Total capital assets being depreciated	34,785,108	1,402,530	51,123	36,136,515
Less accumulated depreciation for:				
Buildings and Improvements	(2,998,222)	(216,653)	-	(3,214,875)
Equipment and Fixtures	(5,192,179)	(456,083)	51,120	(5,597,142)
Paving, Sidewalks and Streets	(12,295,809)	(551,068)	1	(12,846,876)
Parks Development	(2,815,544)	(91,137)	-	(2,906,681)
Airport Improvements	(632,862)	(12,095)	1	(644,956)
Total accumulated depreciation	(23,934,616)	(1,327,036)	51,122	(25,210,530)
Total capital assets being depreciated, net	10,850,492	75,494	1	10,925,985
Governmental activities capital assets, net	\$ 11,326,496	\$ 75,494	\$ 1	\$ 11,401,989

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

	Balance October 1, 2018	Additions	Retirements/ Adjustments	Balance September 30, 2019
Business-type Activities:				
Capital assets not being depreciated				
Land	\$ 694,222	\$ -	\$ -	\$ 694,222
Water Service Contract Rights	19,990,000	-	675,000	19,315,000
	<u>20,684,222</u>	<u>-</u>	<u>675,000</u>	<u>20,009,222</u>
Capital assets being depreciated				
Building and Improvements	507,925	-	-	507,925
Equipment and Fixtures	2,608,195	219,427	89,319	2,738,303
Electrical System	6,159,779	301,651	(1)	6,461,431
Water System	12,640,870	478,097	1	13,118,966
Sewer System	10,000,932	377,738	-	10,378,670
Total capital assets being depreciated	<u>31,917,701</u>	<u>1,376,913</u>	<u>89,319</u>	<u>33,205,295</u>
Less accumulated depreciation for:				
Building and Improvements	(234,868)	(11,492)	-	(246,360)
Equipment and Fixtures	(2,194,341)	(118,628)	89,319	(2,223,650)
Electrical System	(1,947,770)	(96,845)	(1)	(2,044,616)
Water System	(3,041,809)	(193,192)	-	(3,235,001)
Sewer System	<u>(3,266,123)</u>	<u>(152,856)</u>	<u>1</u>	<u>(3,418,978)</u>
Total accumulated depreciation	<u>(10,684,911)</u>	<u>(573,013)</u>	<u>89,319</u>	<u>(11,168,605)</u>
Total capital assets being depreciated, net	<u>21,232,790</u>	<u>803,900</u>	<u>-</u>	<u>22,036,690</u>
Business-type activities capital assets, net	<u>\$ 41,917,012</u>	<u>\$ 803,900</u>	<u>\$ 675,000</u>	<u>\$ 42,045,912</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 2019, 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	\$ 62,743
Sanitation	120
Fire	70,676
Police	168,258
Paving and street	684,411
Parks and recreation	192,257
Library	134,560
Garage	14,011
Governmental Activities	<u>\$ 1,327,036</u>
Business-type activities	
Electric, Water and Street	<u>\$ 573,013</u>

The City's had no active construction projects as of September 30, 2019, but has plans for spending up to \$609,000 for street and \$4,400,000 for electric, water and sewer system improvements.

**NOTE 7 PENSION PLAN:**Plan Description

The City provides pension benefits for all of its full-time employees through a nontraditional, joint contributory hybrid, defined benefit plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the System with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS's defined benefit pension plan is a tax-qualified plan under Section 401 (a) of the Internal Revenue Code. TMRS issues a publicly available comprehensive annual financial report (CAFR) that can be obtained at [www.tmr.com](http://www.tmr.com). All eligible employees of the City are required to participate in TMRS.

Benefits Provided

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

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

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

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

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

The TMRS Board determined that the Entry Age Normal Cost method should be used effective December 31, 2013, which produces contribution rates that are more predictable and that exhibit less volatility than those produced under the previous Projected Unit Credit method. In addition, the City adopted a 30-year closed period for amortization with 27 years remaining.

Employees covered by benefit terms at the December 31, 2018 valuation and measurement date are as follows:

Inactive employees or beneficiaries currently receiving benefits	42
Inactive employees entitled to but not yet receiving benefits	13
Active employees	<u>79</u>
Total	<u>134</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, 2019, were \$691,310, and were equal to the required contributions.

**Net Pension Liability**

The City's Net Pension Liability (NPL) was measured as of December 31, 2018 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, 2018 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, 2018 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 2018 valuation.

The long-term expected rate of return on pension plan investments is 6.75%. The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the TMRS Board of Trustees. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income, in order to satisfy the short-term and long-term funding needs of TMRS.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.5%. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	17.5%	4.30%
International Equity	17.5%	6.10%
Core Fixed Income	10.0%	1.00%
Non-Core Fixed Income	20.0%	3.39%
Real Return	10.0%	3.78%
Real Estate	10.0%	4.44%
Absolute Return	10.0%	3.56%
Private Equity	<u>5.0%</u>	7.75%
Total	<u>100.0%</u>	

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

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

<u>Changes in Net Pension Liability</u>	<u>Total Pension Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net Pension Liability</u>
Balance at 12/31/16	\$ 26,371,404	\$ 24,433,735	\$ 1,937,669
Changes for the year:			
Service cost	681,190	-	681,190
Interest	1,766,964	-	1,766,964
Change of benefit terms	-	-	-
Difference between expected and actual experience	548,556	-	548,556
Changes in assumptions	-	-	-
Contributions - Employer	-	709,158	(709,158)
Contributions - Employee	-	301,221	(301,221)
Net Investment Income	-	(731,969)	731,969
Benefit payments, including refunds of employee contributions	(1,069,520)	(1,069,520)	-
Administrative expense	-	(14,145)	14,145
Other changes	-	(739)	739
Net changes	<u>1,927,190</u>	<u>(805,994)</u>	<u>2,733,184</u>
Balance at 12/31/17	<u>\$ 28,298,594</u>	<u>\$ 23,627,741</u>	<u>\$ 4,670,853</u>

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

	<u>1% Decrease 5.75%</u>	<u>Current Single Rate Assumption 6.75%</u>	<u>1% Increase 7.75%</u>
City's net pension liability	\$ 8,507,249	\$ 4,670,853	\$ 1,504,736

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, 2019, the City recognized pension expense of \$973,778. At September 30, 2019, the City reported deferred outflows and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ -	\$ 10,970
Difference in investment returns	1,256,951	
Change in assumptions	63,595	-
Contributions subsequent to the measurement date (December 31, 2018)	<u>492,555</u>	<u>-</u>
Total	<u>\$ 1,813,101</u>	<u>\$ 10,970</u>

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

\$500,145 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
2019	\$ 420,900
2020	136,582
2021	155,758
2022	452,457
2023	88,477
Thereafter	47,812
Total	<u>\$ 1,301,986</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. As a result of applying GASB No. 75 to the September 30, 2018 financial statements the Government Wide Statement of Activities reflects a prior period adjustment of \$179,452 to record the beginning of year death benefit liability.

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	30
Inactive employees entitled to but not yet receiving benefits	3
Active employees	<u>79</u>
Total	<u>112</u>

**NOTE 8 SUPPLEMENTAL DEATH BENEFITS: (Continued)**Significant assumptions

The actuarial assumptions used in the December 31, 2018 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, 2018 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*	3.71%
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, 2018.

<u>Changes in OPEB Liability</u>	<u>Total OPEB Liability</u>
Balance at 12/31/17	\$ 215,206
Changes for the year:	
Service cost	8,176
Interest	7,223
Change of benefit terms	-
Difference between expected and actual experience	5,702
Changes in assumptions	(15,302)
Benefit payments	(2,152)
Net changes	3,647
Balance at 12/31/18	<u>\$ 218,853</u>

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

For the year ended September 30, 2019, the City recognized death benefit insurance expense of \$14,218. At September 30, 2019, the City reported deferred outflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>
Changes in assumptions	\$ (1,091)
Difference between expected and actual experience	4,921
Contributions subsequent to the measurement date (December 31, 2018)	<u>7,590</u>
Total	<u>\$ 11,420</u>

\$7,590 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	\$ 971
2019	971
2020	971
2021	971
2022	971
Thereafter	<u>(1,025)</u>
Total	<u>\$ 3,830</u>

**Contributions**

Contributions are made monthly based on the covered payroll of employee members. The rate for 2018 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, 2019, 2018, and 2017 were \$10,389, \$10,483, and \$10,048, 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, 2019:

	<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	\$ 5,480,000
Total Bonds Payable	<u>\$ 5,480,000</u>

**Changes in Outstanding Debt-**

	<u>Balance October 1, 2018</u>	<u>Payments or Expenditures</u>	<u>Balance September 30, 2019</u>	<u>Due Within One Year</u>
<u>Governmental Type Activities</u>				
Certificates of Obligation	<u>5,700,000</u>	<u>220,000</u>	<u>5,480,000</u>	<u>230,000</u>
Total government	<u>\$ 5,700,000</u>	<u>\$ 220,000</u>	<u>\$ 5,480,000</u>	<u>\$ 230,000</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, 2019, are as follows:

Certificates of Obligation

Year Ending Sept. 30,	Governmental Activities		
	Principal	Interest	Total
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	260,000	149,160	409,160
2025-2037	4,260,000	1,047,915	5,307,915
Total	<u>\$ 5,480,000</u>	<u>\$ 1,874,070</u>	<u>\$ 7,354,070</u>

The ordinances authorizing the issuance of Certificates of Obligation bonds created an Interest and Sinking Fund (Debt Service Fund). The ordinances require the City to provide a reserve fund which is adequate to meet principal and interest as it comes due. The 2012 Certificates of Obligation were called and paid off in December 2019. See subsequent events note 19.

**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. See note 19 for discussion of renewal of contract.

**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, 2019, 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>
2020	1,577,412
2021	1,580,713
2022	1,577,625
2023	1,578,537
2024	1,576,663
2025-2038	<u>21,794,112</u>
Total	<u>\$ 29,685,062</u>

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

	<u>Balance October 1, 2018</u>	<u>Issues or Additions</u>	<u>Payments or Expenditures</u>	<u>Balance September 30, 2019</u>	<u>Due Within One Year</u>
<u>Business Type Activities</u>					
Contracts payable	<u>\$ 19,990,000</u>	<u>\$ -</u>	<u>\$ 675,000</u>	<u>\$ 19,315,000</u>	<u>\$ 690,000</u>
Total business	<u>\$ 19,990,000</u>	<u>\$ -</u>	<u>\$ 675,000</u>	<u>\$ 19,315,000</u>	<u>\$ 690,000</u>

**NOTE 12 ENERGY AND POWER CONTRACT:**

The City entered into a contract with the Sam Rayburn Municipal Power Agency (Agency) on May 1, 1981 for the purchase of power and energy. The contract will remain in force until 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 or 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 \$7,000,000 (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 \$1,022,000.

**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, 2019 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 \$121,000 in federal and local grants in 2019 principally related to fire department operations and water system improvements. These amounts are included in miscellaneous income for the general fund and grant revenue for the Electric, Water, and Sewer 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.

**NOTE 19 SUBSEQUENT EVENTS:**

In December 2019, the City paid off all outstanding Certificates of Obligation, with a payment of \$5,480,000, which includes accrued interest of \$52,010. Funds accumulated in the Electric, Water, and Sewer Fund were used to liquidate the outstanding bonds. In addition, in November 2019, the City renewed its water supply contract with TRA for 50 years. Under the new agreement, TRA will provide daily up to 7.5 MGD through the year 2070.

**(This Page Intentionally Left Blank)**

## **REQUIRED SUPPLEMENTARY INFORMATION**

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

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
<b>Total pension liability</b>					
Service Cost	\$ 496,383	\$ 568,239	\$ 621,499	\$ 651,578	\$ 681,190
Interest (on the Total Pension Liability)	1,523,437	1,617,245	1,636,121	1,724,891	1,766,964
Changes of benefit terms	-	-	-	-	-
Difference between expected and actual experience	117,800	(214,821)	69,229	(679,286)	548,556
Change of assumptions	-	69,611	-	-	-
Benefit payments, including refunds of employee contributions	(749,395)	(917,464)	(945,709)	(1,107,858)	(1,069,520)
<b>Net Change in Total Pension Liability</b>	<b>1,388,225</b>	<b>1,122,810</b>	<b>1,381,140</b>	<b>589,325</b>	<b>1,927,190</b>
<b>Total Pension Liability - Beginning</b>	<b>21,889,894</b>	<b>23,278,119</b>	<b>24,400,929</b>	<b>25,782,079</b>	<b>26,371,404</b>
<b>Total Pension Liability - Ending</b>	<b>\$ 23,278,119</b>	<b>\$ 24,400,929</b>	<b>\$ 25,782,069</b>	<b>\$ 26,371,404</b>	<b>\$ 28,298,594</b>
<b>Plan Fiduciary Net Position</b>					
Contributions Employer	\$ 624,014	\$ 629,618	\$ 628,150	\$ 678,848	\$ 709,158
Contributions Employee	255,893	263,597	273,960	289,223	301,221
Net Investment Income	1,092,015	29,953	1,371,056	2,992,834	(731,969)
Benefit payments, including refunds of employee contributions	(749,395)	(917,464)	(945,709)	(1,107,858)	(1,069,520)
Administrative Expense	(11,401)	(18,244)	(15,483)	(15,512)	(14,145)
Other	(937)	(902)	(834)	(787)	(739)
<b>Net Change in Plan Fiduciary Net Position</b>	<b>1,210,189</b>	<b>(13,442)</b>	<b>1,311,140</b>	<b>2,836,748</b>	<b>(805,994)</b>
<b>Plan Fiduciary Net Position - Beginning</b>	<b>19,089,100</b>	<b>20,299,289</b>	<b>20,285,847</b>	<b>21,596,987</b>	<b>24,433,735</b>
<b>Plan Fiduciary Net Position - Ending</b>	<b>\$ 20,299,289</b>	<b>\$ 20,285,847</b>	<b>\$ 21,596,987</b>	<b>\$ 24,433,735</b>	<b>\$ 23,627,741</b>
<b>Net Pension Liability - Ending</b>	<b>\$ 2,978,830</b>	<b>\$ 4,115,082</b>	<b>\$ 4,185,082</b>	<b>\$ 1,937,669</b>	<b>\$ 4,670,853</b>
<b>Plan Fiduciary Net Position as a percentage of Total Pension Liability</b>	<b>87.20%</b>	<b>83.14%</b>	<b>83.77%</b>	<b>92.65%</b>	<b>83.49%</b>
<b>Covered Payroll</b>	<b>\$ 3,655,618</b>	<b>\$ 3,765,664</b>	<b>\$ 3,913,719</b>	<b>\$ 4,131,759</b>	<b>\$ 4,303,160</b>
<b>Net Pension Liability as a Percentage of Covered Payroll</b>	<b>81.49%</b>	<b>109.28%</b>	<b>106.93%</b>	<b>46.90%</b>	<b>108.54%</b>

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)**

	2015	2016	2017	2018	2019
Actuarially Determined Contribution	\$ 629,618	\$ 629,618	\$ 628,150	\$ 678,848	\$ 691,310
Contributions in relation to the actuarially determined contribution	<u>629,618</u>	<u>629,618</u>	<u>628,150</u>	<u>678,848</u>	<u>691,310</u>
Contribution deficiency (excess)	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
Covered payroll	\$ 3,962,286	\$ 4,093,657	\$ 4,174,523	\$ 4,388,762	\$ 4,552,991
Contributions as a percentage of covered employee payroll	15.89%	15.38%	15.05%	15.47%	15.18%

**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	27 years
Asset Valuation Method	10 Year smoothed market; 15% soft Corridor
Inflation	2.50%
Salary Increases	3.5% to 10.5% including inflation
Investment Rate of Return	6.75%
Retirement Age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2015 valuation pursuant to an experience study of the period 2010-2014.
Mortality	RP2000 Combined Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% and projected on a fully generational basis with scale BB

**Other Information:**

There were no benefit changes during the year.

See Independent auditor's report.



**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)**

	<u>2017</u>	<u>2018</u>
<b>Total OPEB liability</b>		
Service Cost	\$ 6,611	\$ 8,176
Interest	7,148	7,223
Changes of benefit terms	-	-
Difference between expected and actual experience	-	5,702
Change of assumptions	16,687	(15,302)
Benefit Payments	<u>(2,066)</u>	<u>(2,152)</u>
<b>Net Change in OPEB Liability</b>	28,380	3,647
<b>Total OPEB Liability - Beginning</b>	<u>186,826</u>	<u>215,206</u>
<b>Total OPEB Liability - Ending</b>	<u>\$ 215,206</u>	<u>\$ 218,853</u>
<b>Covered Payroll</b>	\$ 4,131,759	\$ 4,303,160
<b>Total OPEB Liability as a Percentage of Covered Payroll</b>	5.21%	5.09%

**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*	3.71%
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, 2018.

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, 2019**

	<b>Budgeted Amounts GAAP Basis</b>		
	<b>Original</b>	<b>Revisions</b>	<b>Final</b>
<b><u>REVENUES</u></b>			
Miscellaneous	\$ -	\$ -	\$ -
Total Revenues	-	-	-
<b><u>EXPENDITURES</u></b>			
Debt service:			
Principal retirement	220,000	-	220,000
Interest	188,100	-	188,100
Total Expenditures	408,100	-	408,100
Excess (deficiency) of revenues over expenditures	(408,100)	-	(408,100)
<b><u>OTHER FINANCING SOURCES (USES)</u></b>			
Transfers in	377,366	18,900	396,266
Total other financing sources	377,366	18,900	396,266
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	\$ (30,734)	\$ 18,900	\$ (11,834)
Fund balances at beginning of year			
Fund balance at end of year			

<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
\$ 375	\$ 375
<u>375</u>	<u>375</u>
220,000	-
<u>188,100</u>	<u>-</u>
408,100	-
<u>(407,725)</u>	<u>375</u>
404,307	8,041
<u>404,307</u>	<u>8,041</u>
(3,418)	<u>\$ 8,416</u>
<u>9,848</u>	
<u>\$ 6,430</u>	

**(This Page Intentionally Left Blank)**

4

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

## **GENERAL FUND**

**CITY OF LIVINGSTON, TEXAS**  
**GENERAL FUND - COMPARATIVE BALANCE SHEET**  
**SEPTEMBER 30, 2019 AND 2018**

---

**ASSETS**

	<b><u>2019</u></b>	<b><u>2018</u></b>
Cash	\$ 2,318,805	\$ 2,142,496
Receivables:		
Returned checks receivable	370	3,677
Paving accounts receivable	<u>23,103</u>	<u>23,103</u>
Total Assets	<u>\$ 2,342,278</u>	<u>\$ 2,169,276</u>

**LIABILITIES AND FUND BALANCES**

**LIABILITIES**

Accounts payable	\$ <u>356,635</u>	\$ <u>208,935</u>
Total Liabilities	<u>356,635</u>	<u>208,935</u>

**FUND BALANCES**

Restricted for library memorials	16,029	13,475
Unassigned	<u>1,969,614</u>	<u>1,946,866</u>
Total Fund Balances	<u>1,985,643</u>	<u>1,960,341</u>
Total Liabilities and Fund Balances	<u>\$ 2,342,278</u>	<u>\$ 2,169,276</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, 2019**  
**WITH COMPARATIVE ACTUAL TOTALS FOR 2018**

	Budgeted Amounts GAAP Basis			
	Original	Revisions	Final	Actual
<b>REVENUES</b>				
Taxes:				
Sales taxes	\$ 3,811,000	\$ -	\$ 3,811,000	\$ 3,888,574
Franchise taxes	112,000	1,000	113,000	132,500
Hotel/Motel taxes	300,000	63,000	363,000	352,302
Licenses and permits	48,500	31,000	79,500	104,453
Charges for service	1,416,761	(21,747)	1,395,014	1,426,243
Fines and forfeitures	327,500	39,700	367,200	360,926
Miscellaneous	82,300	11,300	93,600	173,661
Total Revenues	<u>6,098,061</u>	<u>124,253</u>	<u>6,222,314</u>	<u>6,438,659</u>
<b>EXPENDITURES</b>				
Administrative	643,800	(9,250)	634,550	606,816
Sanitation	705,000	-	705,000	812,556
Fire	565,900	396,800	962,700	935,850
Police	2,476,800	300	2,477,100	2,490,580
Paving and street	1,261,500	(166,000)	1,095,500	789,906
Parks and recreation	1,117,900	85,450	1,203,350	1,347,820
Library	442,150	(1,300)	440,850	458,705
Garage	368,500	(110,000)	258,500	326,891
Total Expenditures	<u>7,581,550</u>	<u>196,000</u>	<u>7,777,550</u>	<u>7,769,124</u>
Excess of revenues over (under) expenditures	<u>(1,483,489)</u>	<u>(71,747)</u>	<u>(1,555,236)</u>	<u>(1,330,465)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	1,976,386	(249,962)	1,726,424	1,760,074
Transfers out	<u>(377,366)</u>	<u>(18,900)</u>	<u>(396,266)</u>	<u>(404,307)</u>
Total other financing sources (uses)	<u>1,599,020</u>	<u>(268,862)</u>	<u>1,330,158</u>	<u>1,355,767</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	<u>\$ 115,531</u>	<u>\$ (340,609)</u>	<u>\$ (225,078)</u>	25,302
Fund balances at beginning of year				<u>1,960,341</u>
Fund balances at end of year				\$ 1,985,643

<b>Variance With Final Budget Positive (Negative)</b>	<b>2018 Actual</b>
\$ 77,574	\$ 4,055,937
19,500	115,006
(10,698)	362,937
24,953	62,259
31,229	1,440,739
(6,274)	370,040
80,061	20,528
<u>216,345</u>	<u>6,427,446</u>
27,734	562,507
(107,556)	764,023
26,850	517,846
(13,480)	2,285,098
305,594	878,952
(144,470)	1,283,801
(17,855)	489,709
(68,391)	249,245
<u>8,426</u>	<u>7,031,181</u>
<u>224,771</u>	<u>(603,735)</u>
33,650	1,925,344
(8,041)	(731,944)
<u>25,609</u>	<u>1,193,400</u>
<u>\$ 250,380</u>	589,665
	<u>1,370,676</u>
	<u>\$ 1,960,341</u>

**CITY OF LIVINGSTON, TEXAS**  
**GENERAL FUND**  
**SCHEDULE OF EXPENDITURES-BUDGET (GAAP BASIS) AND ACTUAL**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2019**  
**WITH COMPARATIVE ACTUAL TOTALS FOR 2018**

	<b>Budgeted Amounts GAAP Basis</b>			
	<b>Original</b>	<b>Revisions</b>	<b>Final</b>	<b>Actual</b>
<b>ADMINISTRATIVE DEPARTMENT</b>				
Salaries	\$ 187,000	\$ -	\$ 187,000	\$ 171,140
Social Security	14,500	-	14,500	13,089
Retirement	30,000	-	30,000	26,494
Employee insurance	32,000	-	32,000	28,280
Insurance and bonds	13,000	-	13,000	12,995
Legal and professional	20,000	-	20,000	28,855
Auditing and accounting	13,500	-	13,500	12,033
Supplies	25,000	(5,000)	20,000	26,517
Repairs-building and grounds	50,000	-	50,000	20,746
Equipment repairs and maintenance	13,000	-	13,000	19,056
Gas and oil	2,200	(200)	2,000	1,827
Utility/telephone	26,000	(3,000)	23,000	7,725
Dues and subscriptions	12,000	-	12,000	17,032
Building demolitions	10,000	-	10,000	12,601
Transportation and contingency	125,000	-	125,000	130,185
Postage and miscellaneous	<u>20,600</u>	<u>(1,050)</u>	<u>19,550</u>	<u>24,316</u>
	593,800	(9,250)	584,550	552,891
Capital expenditures	<u>50,000</u>	<u>-</u>	<u>50,000</u>	<u>53,925</u>
Total Administrative	<u>643,800</u>	<u>(9,250)</u>	<u>634,550</u>	<u>606,816</u>
<b>SANITATION DEPARTMENT</b>				
Supplies	65,000	-	65,000	62,645
Refuse disposal/landfills	<u>640,000</u>	<u>-</u>	<u>640,000</u>	<u>749,911</u>
Total Sanitation	<u>705,000</u>	<u>-</u>	<u>705,000</u>	<u>812,556</u>

<b>Variance With Final Budget Positive (Negative)</b>	<b>2018 Actual</b>
\$ 15,860	\$ 181,826
1,411	13,910
3,506	24,071
3,720	27,821
5	9,180
(8,855)	14,578
1,467	13,167
(6,517)	29,461
29,254	11,486
(6,056)	16,686
173	2,211
15,275	12,250
(5,032)	12,511
(2,601)	6,776
(5,185)	99,081
<u>(4,766)</u>	<u>14,151</u>
31,659	489,166
<u>(3,925)</u>	<u>73,341</u>
<u>27,734</u>	<u>562,507</u>
2,355	64,263
<u>(109,911)</u>	<u>699,760</u>
<u>(107,556)</u>	<u>764,023</u>

**CITY OF LIVINGSTON, TEXAS**  
**GENERAL FUND**  
**SCHEDULE OF EXPENDITURES-BUDGET (GAAP BASIS) AND ACTUAL**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2019**  
**WITH COMPARATIVE ACTUAL TOTALS FOR 2018**

	Budgeted Amounts GAAP Basis			Actual
	Original	Revisions	Final	
<b>FIRE DEPARTMENT</b>				
Salaries	190,000	-	190,000	193,204
Salaries, administration	41,000	-	41,000	9,216
Social Security	12,000	-	12,000	12,718
Retirement	30,000	-	30,000	25,737
Employee insurance	40,000	-	40,000	29,294
Insurance and bonds	31,000	-	31,000	33,851
Recruitment costs	1,500	(1,500)	-	-
Supplies	39,000	-	39,000	43,505
Repairs-building and grounds	2,500	-	2,500	3,684
Equipment repairs and maintenance	60,000	-	60,000	60,034
Gas and oil	7,000	-	7,000	7,324
Utility/telephone	20,000	-	20,000	19,888
Dues and subscriptions	3,500	-	3,500	2,872
Transportation and contingency	13,500	-	13,500	11,574
Maintenance contribution	23,000	(3,000)	20,000	12,707
Postage and miscellaneous	<u>2,900</u>	<u>300</u>	<u>3,200</u>	<u>3,394</u>
	516,900	(4,200)	512,700	469,002
Capital expenditures	<u>49,000</u>	<u>401,000</u>	<u>450,000</u>	<u>466,848</u>
Total Fire	<u>565,900</u>	<u>396,800</u>	<u>962,700</u>	<u>935,850</u>
<b>POLICE DEPARTMENT</b>				
Salaries	1,401,000	-	1,401,000	1,394,940
Salaries, administration	41,000	-	41,000	9,216
Social Security	107,000	-	107,000	108,740
Retirement	223,000	-	223,000	219,969
Employee insurance	262,000	-	262,000	269,319
Uniforms	4,000	-	4,000	2,598
Insurance and bonds	61,000	-	61,000	56,843
Supplies	23,000	-	23,000	26,649
Repairs-building and grounds	15,000	-	15,000	24,757
Equipment repairs and maintenance	50,000	-	50,000	53,618
Gas and oil	38,000	-	38,000	39,100
Utility/telephone	21,000	-	21,000	25,126
Dues and subscriptions	18,000	-	18,000	27,502
Transportation and contingency	18,000	12,000	30,000	22,667
Postage and miscellaneous	<u>39,800</u>	<u>(11,700)</u>	<u>28,100</u>	<u>29,217</u>
	2,321,800	300	2,322,100	2,310,261
Capital expenditures	<u>155,000</u>	<u>-</u>	<u>155,000</u>	<u>180,319</u>
Total Police	<u>2,476,800</u>	<u>300</u>	<u>2,477,100</u>	<u>2,490,580</u>

<b>Variance With Final Budget Positive (Negative)</b>	<b>2018 Actual</b>
(3,204)	191,358
31,784	9,000
(718)	12,009
4,263	24,666
10,706	27,207
(2,851)	30,442
-	-
(4,505)	43,154
(1,184)	2,190
(34)	68,701
(324)	6,857
112	19,395
628	1,783
1,926	8,853
7,293	22,319
(194)	2,427
43,698	470,361
(16,848)	47,485
26,850	517,846
6,060	1,326,009
31,784	9,000
(1,740)	103,408
3,031	209,092
(7,319)	242,409
1,402	2,536
4,157	54,469
(3,649)	40,545
(9,757)	13,851
(3,618)	51,745
(1,100)	46,142
(4,126)	22,185
(9,502)	9,780
7,333	26,727
(1,117)	24,946
11,839	2,182,844
(25,319)	102,254
(13,480)	2,285,098

**CITY OF LIVINGSTON, TEXAS**  
**GENERAL FUND**  
**SCHEDULE OF EXPENDITURES-BUDGET (GAAP BASIS) AND ACTUAL**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2019**  
**WITH COMPARATIVE ACTUAL TOTALS FOR 2018**

	Budgeted Amounts GAAP Basis			
	Original	Revisions	Final	Actual
PAVING AND STREET DEPARTMENT				
Salaries	299,000	-	299,000	286,331
Salaries, administration	41,000	-	41,000	9,216
Social Security	23,000	-	23,000	22,610
Retirement	53,000	-	53,000	45,708
Employee insurance	88,000	-	88,000	64,012
Uniforms	6,800	-	6,800	5,429
Insurance and bonds	30,000	-	30,000	32,198
Supplies	22,000	-	22,000	25,139
Repairs-building and grounds	12,000	-	12,000	17,386
Equipment repairs and maintenance	65,000	-	65,000	40,598
Gas and oil	22,000	-	22,000	22,212
Transit system	4,200	-	4,200	4,200
Transportation and contingency	9,500	-	9,500	3,234
	675,500	-	675,500	578,273
Capital expenditures	586,000	(166,000)	420,000	211,633
Total Paving and Street	1,261,500	(166,000)	1,095,500	789,906
PARKS AND RECREATION DEPARTMENT				
Salaries	421,000	-	421,000	495,791
Salaries, administration	82,000	-	82,000	18,432
Social Security	33,000	-	33,000	39,312
Retirement	70,000	-	70,000	69,843
Employee insurance	115,000	-	115,000	97,333
Uniforms	7,500	-	7,500	7,846
Insurance and bonds	21,000	-	21,000	21,311
Advertising, hotel tax	75,000	(23,500)	51,500	42,968
Supplies	59,000	(9,000)	50,000	62,442
Repairs-building and grounds	20,500	-	20,500	21,043
Equipment repairs and maintenance	17,000	-	17,000	26,453
Gas and oil	62,100	-	62,100	39,934
Utility/telephone	18,000	(1,000)	17,000	16,505
Dues and subscriptions	1,350	-	1,350	702
Transportation and contingency	4,350	(50)	4,300	3,188
Programming costs	5,000	-	5,000	4,474
Postage and miscellaneous	2,100	-	2,100	2,353
	1,013,900	(33,550)	980,350	969,930
Capital expenditures	104,000	119,000	223,000	377,890
Total Parks and Recreation	1,117,900	85,450	1,203,350	1,347,820

<b>Variance With Final Budget Positive (Negative)</b>	<b>2018 Actual</b>
12,669	317,925
31,784	9,000
390	25,010
7,292	50,743
23,988	78,462
1,371	5,679
(2,198)	31,519
(3,139)	25,449
(5,386)	15,015
24,402	93,095
(212)	22,398
-	4,200
<u>6,266</u>	<u>3,763</u>
97,227	682,258
<u>208,367</u>	<u>196,694</u>
<u>305,594</u>	<u>878,952</u>
(74,791)	446,612
63,568	18,000
(6,312)	35,543
157	64,348
17,667	93,255
(346)	5,978
(311)	20,229
8,532	57,885
(12,442)	68,296
(543)	41,004
(9,453)	29,605
22,166	54,705
495	16,740
648	821
1,112	4,251
526	1,013
<u>(253)</u>	<u>2,796</u>
10,420	961,081
<u>(154,890)</u>	<u>322,720</u>
<u>(144,470)</u>	<u>1,283,801</u>



**CITY OF LIVINGSTON, TEXAS**  
**GENERAL FUND**  
**SCHEDULE OF EXPENDITURES-BUDGET (GAAP BASIS) AND ACTUAL**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2019**  
**WITH COMPARATIVE ACTUAL TOTALS FOR 2018**

	Budgeted Amounts GAAP Basis			Actual
	Original	Revisions	Final	
<b>LIBRARY DEPARTMENT</b>				
Salaries	183,000	-	183,000	211,722
Salaries, administration	41,000	-	41,000	9,216
Social Security	14,000	-	14,000	16,902
Retirement	35,000	-	35,000	34,221
Employee insurance	59,000	-	59,000	56,398
Insurance and bonds	6,000	-	6,000	6,828
Supplies	15,000	-	15,000	17,085
Repairs-building and grounds	18,000	-	18,000	22,990
Equipment repairs and maintenance	8,500	-	8,500	9,321
Utility/telephone	9,500	-	9,500	8,987
Dues and subscriptions	5,000	200	5,200	6,131
Transportation and contingency	2,500	(1,500)	1,000	475
Postage and printing	7,650	-	7,650	9,601
	404,150	(1,300)	402,850	409,877
Memorial capital	5,000	-	5,000	8,206
Capital expenditures	33,000	-	33,000	40,622
Total Library	442,150	(1,300)	440,850	458,705
<b>GARAGE DEPARTMENT</b>				
Salaries	116,000	-	116,000	152,497
Salaries, administration	41,000	-	41,000	9,216
Social Security	9,000	-	9,000	12,371
Retirement	25,000	-	25,000	25,049
Employee insurance	28,000	-	28,000	27,194
Uniforms	1,900	-	1,900	2,155
Insurance and bonds	8,300	-	8,300	8,971
Supplies	7,000	-	7,000	9,755
Repairs-building and grounds	115,000	(110,000)	5,000	5,442
Equipment repairs and maintenance	5,500	-	5,500	4,073
Gas and oil	1,200	-	1,200	1,061
Utility/telephone	5,600	-	5,600	6,316
	363,500	(110,000)	253,500	264,100
Capital expenditures	5,000	-	5,000	62,791
Total Garage	368,500	(110,000)	258,500	326,891
<b>TOTAL GENERAL EXPENDITURES</b>	<b>\$ 7,581,550</b>	<b>\$ 196,000</b>	<b>\$ 7,777,550</b>	<b>\$ 7,769,124</b>

<b>Variance With Final Budget Positive (Negative)</b>	<b>2018 Actual</b>
(28,722)	207,826
31,784	9,000
(2,902)	16,587
779	33,769
2,602	50,657
(828)	6,502
(2,085)	16,575
(4,990)	21,177
(821)	9,133
513	8,964
(931)	5,821
525	2,575
<u>(1,951)</u>	<u>7,127</u>
(7,027)	395,713
(3,206)	4,473
<u>(7,622)</u>	<u>89,523</u>
<u>(17,855)</u>	<u>489,709</u>
(36,497)	145,178
31,784	9,000
(3,371)	11,795
(49)	24,282
806	25,920
(255)	1,683
(671)	8,629
(2,755)	7,839
(442)	1,966
1,427	4,511
139	1,275
<u>(716)</u>	<u>5,564</u>
(10,600)	247,642
<u>(57,791)</u>	<u>1,603</u>
<u>(68,391)</u>	<u>249,245</u>
<u>\$ 8,426</u>	<u>\$ 7,031,181</u>

**DEBT SERVICE FUND**

**CITY OF LIVINGSTON, TEXAS**  
**DEBT SERVICE FUND - COMPARATIVE BALANCE SHEET**  
**SEPTEMBER 30, 2019 AND 2018**

---

**ASSETS**

	<b><u>2019</u></b>	<b><u>2018</u></b>
Cash	\$ <u>6,430</u>	\$ <u>9,848</u>
Total Assets	\$ <u>6,430</u>	\$ <u>9,848</u>

**FUND BALANCES**

Restricted for debt service	\$ <u>6,430</u>	\$ <u>9,848</u>
Total Fund Balance	\$ <u>6,430</u>	\$ <u>9,848</u>

**CITY OF LIVINGSTON, TEXAS  
DEBT SERVICE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED SEPTEMBER 30, 2019  
WITH COMPARATIVE ACTUAL TOTALS FOR 2018**

	<b>Budgeted Amounts GAAP Basis</b>		
	<b>Original</b>	<b>Revisions</b>	<b>Final</b>
<b><u>REVENUES</u></b>			
Miscellaneous	\$ -	\$ -	\$ -
Total Revenues	-	-	-
<b><u>EXPENDITURES</u></b>			
Debt service:			
Principal retirement	220,000	-	220,000
Interest	188,100	-	188,100
Total Expenditures	408,100	-	408,100
Excess (deficiency) of revenues over expenditures	(408,100)	-	(408,100)
<b><u>OTHER FINANCING SOURCES (USES)</u></b>			
Transfers in	377,366	18,900	396,266
Total other financing sources	377,366	18,900	396,266
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	\$ (30,734)	\$ 18,900	\$ (11,834)
Fund balances at beginning of year			
Fund balance at end of year			

<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>	<u>2018</u>
\$ 375	\$ 375	\$ 561
<u>375</u>	<u>375</u>	<u>561</u>
220,000	-	540,000
188,100	-	197,100
<u>408,100</u>	<u>-</u>	<u>737,100</u>
<u>(407,725)</u>	<u>375</u>	<u>(736,539)</u>
404,307	(8,041)	731,944
<u>404,307</u>	<u>8,041</u>	<u>731,944</u>
(3,418)	<u>\$ 8,416</u>	(4,595)
<u>9,848</u>		<u>14,443</u>
<u>\$ 6,430</u>		<u>\$ 9,848</u>

**(This Page Intentionally Left Blank)**

## **PROPRIETARY FUND**



**CITY OF LIVINGSTON, TEXAS**  
**COMPARATIVE STATEMENT OF NET POSITION**  
**ELECTRIC, WATER AND SEWER FUND**  
**SEPTEMBER 30, 2019 AND 2018**

<b>ASSETS</b>	<b>2019</b>	<b>2018</b>
Current assets:		
Cash	\$ 22,291,183	\$ 16,910,976
Certificates of deposit	1,500,000	1,500,000
Restricted assets		
Cash in bank, water and sewer system improvements	62,386	62,137
Cash in bank, reserve fund	446,698	735,756
Receivables:		
Returned checks receivable	34,941	34,260
Utility accounts receivable	<u>1,672,089</u>	<u>1,670,378</u>
Total current assets	<u>26,007,297</u>	<u>20,913,507</u>
Noncurrent assets:		
Capital assets:		
Land	694,222	694,222
Building and improvements	507,925	507,925
Equipment and fixtures	2,738,303	2,608,195
Electrical system	6,461,431	6,159,780
Water system	13,118,966	12,640,870
Sewer system	10,378,670	10,000,931
Water service contract rights	<u>19,315,000</u>	<u>19,990,000</u>
	53,214,517	52,601,923
Less accumulated depreciation	<u>(11,168,605)</u>	<u>(10,684,911)</u>
Net capital assets	<u>42,045,912</u>	<u>41,917,012</u>
Total assets	<u>68,053,209</u>	<u>62,830,519</u>
Deferred outflows of resources:		
Amounts related to pensions		
Contributions after December 31, 2018	175,932	186,017
Difference in investment returns	467,650	-
Change in assumptions	<u>22,895</u>	<u>11,357</u>
Total Deferred Outflows of Resources	<u>666,477</u>	<u>197,374</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 68,719,686</u>	<u>\$ 63,027,893</u>

**CITY OF LIVINGSTON, TEXAS**  
**COMPARATIVE STATEMENT OF NET POSITION**  
**ELECTRIC, WATER AND SEWER FUND**  
**SEPTEMBER 30, 2019 AND 2018**

	<b>2019</b>	<b>2018</b>
<b>LIABILITIES</b>		
Current liabilities:		
Accounts payable	\$ 1,257,530	\$ 966,901
Meter deposits	573,903	567,578
Contracts payable-Trinity River Authority	690,000	675,000
Total current liabilities	<u>2,521,433</u>	<u>2,209,479</u>
Noncurrent liabilities due in more than one year:		
Net pension liability	1,686,931	660,995
Contracts payable-Trinity River Authority	18,625,000	19,315,000
Total noncurrent liabilities	<u>20,311,931</u>	<u>19,975,995</u>
Total liabilities	<u>22,833,364</u>	<u>22,185,474</u>
Deferred inflows of resources:		
Amounts related to pensions		
Restricted for:		
Difference in expected and actual experience	<u>4,059</u>	<u>413,735</u>
Total Deferred Inflows of Resources	<u>4,059</u>	<u>413,735</u>
Total Liabilities and Deferred Inflows of Resources	<u>22,837,423</u>	<u>22,599,209</u>
<b>NET POSITION</b>		
Net investment in capital assets	22,730,912	21,927,012
Restricted for water and sewer system improvements	62,386	62,137
Restricted for Trinity River Authority contracts payable	446,698	735,756
Unrestricted	<u>22,642,267</u>	<u>17,703,779</u>
Total Net Position	<u>\$ 45,882,263</u>	<u>\$ 40,428,684</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, 2019 AND 2018**

**Business-Type Activities - Enterprise Fund**

	<b><u>2019</u></b>	<b><u>2018</u></b>
<b><u>Operating revenues:</u></b>		
Charges for sales and services:		
Electricity sales	\$ 9,195,501	\$ 9,516,077
Water sales	2,951,854	2,925,373
Sewer service charges	2,151,853	2,090,144
Penalties, utilities	147,283	161,342
Water tapping fees	11,690	5,930
Sewer tapping fees	7,800	5,750
Recoveries, electrical	8,064,476	3,178,492
Recoveries, water	279,514	406,133
Revenue, night lights	100,234	98,358
Service fees	57,595	57,120
Total Operating Revenues	<u>23,007,770</u>	<u>18,444,719</u>
<b><u>Operating expenses:</u></b>		
Light and Power Department	10,199,040	9,888,635
Water Department	4,117,465	3,894,242
Sewer Department	918,833	752,139
Depreciation	573,013	547,339
Total Operating Expenses	<u>15,808,351</u>	<u>15,082,355</u>
Operating Income	7,199,419	3,362,364
<b><u>Non-operating revenues:</u></b>		
Interest income	<u>14,234</u>	<u>9,056</u>
Income Before Transfers	7,213,653	3,371,420
Transfers Out	<u>(1,760,074)</u>	<u>(1,925,344)</u>
Change in net position	5,453,579	1,446,076
Total net position - beginning	<u>40,428,684</u>	<u>38,982,608</u>
Total net position - ending	<u>\$ 45,882,263</u>	<u>\$ 40,428,684</u>

**CITY OF LIVINGSTON, TEXAS  
COMPARATIVE STATEMENT OF CASH FLOWS  
ELECTRIC, WATER, AND SEWER FUND  
FOR THE YEARS ENDED SEPTEMBER 30, 2019 AND 2018**

---

**Business-Type Activities - Enterprise Fund**

	<b><u>2019</u></b>	<b><u>2018</u></b>
Cash flows from operating activities:		
Cash received from customers	\$ 23,015,125	\$ 18,366,252
Cash payments to suppliers for goods and services	(13,218,086)	(13,132,200)
Cash payments to employees for services	(1,582,888)	(1,509,028)
Net cash provided by operating activities	<u>8,214,151</u>	<u>3,725,024</u>
Cash flows from noncapital financing activities:		
Transfers to other funds	(1,760,074)	(1,925,344)
Net cash used for noncapital financing activities	<u>(1,760,074)</u>	<u>(1,925,344)</u>
Cash flows from capital and related financing activities:		
Acquisition of capital assets	(1,376,913)	(560,757)
Net cash used for capital and related financing activities	<u>(1,376,913)</u>	<u>(560,757)</u>
Cash flows from investing activities:		
Interest on cash and investments	<u>14,234</u>	<u>9,056</u>
Net cash provided by investing activities	<u>14,234</u>	<u>9,056</u>
Net Change in Cash and Cash Equivalents	5,091,398	1,247,979
Cash and Cash Equivalents at Beginning of Year	<u>17,708,869</u>	<u>16,460,890</u>
Cash and Cash Equivalents at End of Year	<u>\$ 22,800,267</u>	<u>\$ 17,708,869</u>

(Continued)

**CITY OF LIVINGSTON, TEXAS  
COMPARATIVE STATEMENT OF CASH FLOWS  
ELECTRIC, WATER, AND SEWER FUND  
FOR THE YEARS ENDED SEPTEMBER 30, 2019 AND 2018**

---

**Business-Type Activities - Enterprise Fund**

	<b><u>2019</u></b>	<b><u>2018</u></b>
Reconciliation of income from operations to net cash provided by operating activities:		
Income from operations	\$ 7,199,419	\$ 3,362,364
Adjustments to reconcile operating net income to net cash provided by operating activities:		
Depreciation	573,013	547,339
Change in operating assets and liabilities:		
Returned checks receivable	(681)	(2,603)
Utility accounts receivable	(1,711)	87,130
Deferred outflows	(469,103)	254,544
Accounts payable	290,629	(198,272)
Meter deposits	6,325	11,266
Net pension liability	1,025,936	(741,152)
Deferred inflows	<u>(409,676)</u>	<u>404,407</u>
Total adjustments	<u>1,014,732</u>	<u>362,659</u>
Net cash provided by operating activities	<u>\$ 8,214,151</u>	<u>\$ 3,725,023</u>
Reconciliation of total cash and cash investments		
Unrestricted	\$ 22,291,183	\$ 16,910,976
Restricted		
Cash in bank, water and sewer system improvements	62,386	62,137
Cash in bank, reserve fund	<u>446,698</u>	<u>735,756</u>
Total cash and cash equivalents	<u>\$ 22,800,267</u>	<u>\$ 17,708,869</u>

(Concluded)

## **ENTERPRISE FUND**

**CITY OF LIVINGSTON, TEXAS**  
**ENTERPRISE FUND**  
**SCHEDULE OF EXPENSES BY DEPARTMENT - COMPARED TO BUDGET**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2019**  
**WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED SEPTEMBER 30, 2018**

	<b>2019</b>			
	<b>Original Budget</b>	<b>Revisions</b>	<b>Final</b>	<b>Actual</b>
<b>LIGHT AND POWER DEPARTMENT</b>				
Salaries	\$ 804,000	\$ -	\$ 804,000	\$ 769,410
Salaries, administration	41,000	-	41,000	9,216
Social Security	62,000	-	62,000	59,566
Retirement	133,000	-	133,000	193,243
Employee insurance	144,000	-	144,000	126,707
Uniform rental	12,000	-	12,000	7,934
Insurance and bonds	20,000	-	20,000	23,480
Legal and professional	2,000	3,000	5,000	7,332
Engineering	1,000	-	1,000	-
Supplies	40,000	-	40,000	64,175
Repairs-building and grounds and equipment	45,000	30,000	75,000	37,764
Gas and oil	13,000	-	13,000	12,680
Utility/telephone	9,000	-	9,000	8,371
Dues and subscriptions	14,500	-	14,500	8,144
Power purchase	7,500,000	1,000,000	8,500,000	8,824,189
Transportation and contingency	8,000	-	8,000	4,657
Utility billing	12,500	-	12,500	12,651
Postage and miscellaneous	16,000	-	16,000	17,480
Auditing and accounting	13,500	-	13,500	12,041
Total Light and Power	<u>8,890,500</u>	<u>1,033,000</u>	<u>9,923,500</u>	<u>10,199,040</u>
<b>WATER DEPARTMENT</b>				
Salaries	463,000	-	463,000	447,571
Salaries - administration	41,000	-	41,000	9,216
Social Security	36,000	-	36,000	35,545
Retirement	78,000	-	78,000	114,933
Employee insurance	111,000	-	111,000	93,367
Uniform rental	5,700	-	5,700	7,711
Insurance and bonds	20,000	-	20,000	22,291
Legal and professional	5,000	-	5,000	3,105
Supplies	45,500	30,000	75,500	123,583
Repairs-building and grounds	10,000	-	10,000	13,731
Repairs-equipment	60,000	-	60,000	45,899
Gas and oil	36,000	-	36,000	35,639
Engineering	20,000	-	20,000	8,940
Dues and subscriptions	15,000	-	15,000	12,279
Water-TRA	58,400	-	58,400	58,400
Operations and maintenance-TRA	1,465,000	-	1,465,000	1,433,100
Transportation and contingency	41,000	(5,000)	36,000	28,263
Utility billing	13,500	-	13,500	13,551
Postage and printing	15,000	-	15,000	17,136
TRA-debt service	1,576,000	-	1,576,000	1,581,172
Auditing and accounting	13,500	-	13,500	12,033
Total Water	<u>4,128,600</u>	<u>25,000</u>	<u>4,153,600</u>	<u>4,117,465</u>

<b>Variance</b>	<b>2018 Actual</b>
\$ 34,590	\$ 710,384
31,784	9,000
2,434	55,033
(60,243)	91,520
17,293	114,704
4,066	6,039
(3,480)	21,628
(2,332)	385
1,000	-
(24,175)	63,827
37,236	51,866
320	12,654
629	9,182
6,356	8,029
(324,189)	8,691,077
3,343	5,572
(151)	11,289
(1,480)	13,271
1,459	13,175
<u>(275,540)</u>	<u>9,888,635</u>
15,429	470,910
31,784	9,000
455	37,466
(36,933)	62,141
17,633	98,044
(2,011)	6,968
(2,291)	21,052
1,895	2,668
(48,083)	76,363
(3,731)	10,043
14,101	61,963
361	36,803
11,060	4,834
2,721	12,344
-	58,400
31,900	1,271,966
7,737	33,071
(51)	11,288
(2,136)	13,439
(5,172)	1,582,312
1,467	13,167
<u>36,135</u>	<u>3,894,242</u>



**CITY OF LIVINGSTON, TEXAS**  
**ENTERPRISE FUND**  
**SCHEDULE OF EXPENSES BY DEPARTMENT - COMPARED TO BUDGET**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2019**  
**WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED SEPTEMBER 30, 2018**

	<b>2019</b>			
	<b>Original Budget</b>	<b>Revisions</b>	<b>Final</b>	<b>Actual</b>
<b>SEWER DEPARTMENT</b>				
Salaries	270,000	-	270,000	338,259
Salaries, administration	41,000	-	41,000	9,216
Social Security	21,000	-	21,000	27,020
Retirement	48,000	-	48,000	82,909
Employee insurance	55,000	-	55,000	58,561
Uniform rental	4,200	-	4,200	5,146
Insurance and bonds	8,000	-	8,000	7,088
Lab fees-engineering	20,000	-	20,000	20,430
Supplies	45,000	-	45,000	43,017
Chemicals	27,500	-	27,500	22,434
Legal/professional	1,000	2,500	3,500	3,680
Repairs-equipment	60,000	30,000	90,000	160,754
Repairs-building and grounds	5,000	10,000	15,000	14,601
Gas and oil	7,700	-	7,700	5,995
Dues and subscriptions	10,000	-	10,000	10,337
Transportation and contingency	62,000	(4,000)	58,000	62,887
Utilities and telephone	30,000	-	30,000	46,499
<b>Total Sewer</b>	<b>715,400</b>	<b>38,500</b>	<b>753,900</b>	<b>918,833</b>
<b>TOTAL ENTERPRISE FUND</b>				
<b>DEPARTMENT EXPENDITURES</b>	<b>\$ 13,734,500</b>	<b>\$ 1,096,500</b>	<b>\$ 14,831,000</b>	<b>\$ 15,235,338</b>

<u>Variance</u>	<u>2018 Actual</u>
(68,259)	300,734
31,784	9,000
(6,020)	24,012
(34,909)	40,362
(3,561)	57,214
(946)	4,529
912	6,808
(430)	22,231
1,983	30,968
5,066	24,078
(180)	1,227
(70,754)	106,851
399	2,557
1,705	6,551
(337)	10,787
(4,887)	66,911
<u>(16,499)</u>	<u>37,319</u>
<u>(164,933)</u>	<u>752,139</u>
<u>\$ (404,339)</u>	<u>\$ 14,535,016</u>

## **STATISTICAL SECTION**

## **FINANCIAL TRENDS**

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

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

	<b>Fiscal Year</b>		
	<b>2010</b>	<b>2011</b>	<b>2012</b>
Governmental activities			
Net investment in capital assets	\$ 3,816,433	\$ 4,351,471	\$ 4,791,257
Restricted	60,119	62,171	11,028
Unrestricted	<u>1,018,128</u>	<u>513,969</u>	<u>358,850</u>
Total governmental activities net position	<u>\$ 4,894,680</u>	<u>\$ 4,927,611</u>	<u>\$ 5,161,135</u>
Business-type activities			
Net investment in capital assets	\$15,112,038	\$ 16,034,964	\$ 17,445,479
Restricted	125,923	463,375	103,495
Unrestricted	<u>2,680,995</u>	<u>3,142,246</u>	<u>2,921,239</u>
Total business-type activities net position	<u>\$17,918,956</u>	<u>\$ 19,640,585</u>	<u>\$ 20,470,213</u>
Primary government			
Net investment in capital assets	\$18,928,471	\$ 20,386,435	\$ 22,236,736
Restricted	186,042	525,546	114,523
Unrestricted	<u>3,699,123</u>	<u>3,656,215</u>	<u>3,280,089</u>
Total primary government net position	<u>\$22,813,636</u>	<u>\$ 24,568,196</u>	<u>\$ 25,631,348</u>

TABLE A-1

Fiscal Year						
2013	2014	2015	2016	2017	2018	2019
\$ 4,315,590	\$ 2,964,659	\$ 4,437,694	\$ 4,740,690	\$ 5,464,673	\$ 5,626,496	\$ 5,921,989
11,906	12,825	6,523	13,362	14,443	9,848	6,430
662,242	1,270,906	(217,812)	618,282	(534,353)	51,562	(65,999)
<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>	<u>\$ 5,862,420</u>
\$ 18,761,672	\$ 20,254,016	\$ 20,890,615	\$ 21,350,643	\$ 21,913,595	\$ 21,927,012	\$ 22,730,912
103,626	111,356	117,270	123,885	472,253	797,893	509,084
5,978,877	6,620,642	7,761,709	12,609,642	16,596,760	17,703,779	22,642,267
<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>	<u>\$ 45,882,263</u>
\$ 23,077,262	\$ 23,218,675	\$ 25,328,309	\$ 26,091,333	\$ 27,378,268	\$ 27,553,508	\$ 28,652,901
115,532	124,181	123,793	137,247	486,696	807,741	515,514
6,641,119	7,891,548	7,543,897	13,227,924	16,062,407	17,755,341	22,576,268
<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>	<u>\$ 51,744,683</u>

TABLE A-2

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

	Fiscal Year					
	2010	2011	2012	2013	2014	2015
<b>Expenses</b>						
Governmental activities:						
Administrative	\$ 550,726	\$ 560,705	\$ 578,438	\$ 609,174	\$ 628,524	\$ 629,168
Sanitation	597,196	611,463	631,433	653,663	705,207	701,377
Fire	406,508	440,931	396,728	404,025	429,642	431,539
Police	1,618,530	1,701,952	1,846,576	1,852,215	1,912,194	1,992,910
Paving and street	950,467	968,401	962,427	969,670	993,905	1,082,684
Parks and recreation	893,254	917,386	973,354	991,098	947,878	1,060,084
Library	312,390	310,674	332,359	354,693	448,499	476,226
Garage	180,496	183,928	190,832	203,343	218,840	217,587
Interest on long-term debt	292,638	267,220	246,345	366,800	325,625	278,500
Total governmental activities expense	<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>	<u>6,870,075</u>
Business-type activities:						
Electric, water and sewer	<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>	<u>14,628,936</u>
Total business-type activities expenses	<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>	<u>14,628,936</u>
Total primary government expenses	<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>	<u>21,499,011</u>
<b>Program Revenues</b>						
Governmental activities:						
Charges for services						
Administrative	247,380	98,784	193,065	98,300	101,595	92,722
Sanitation	846,516	933,025	947,880	1,027,614	1,038,218	1,041,025
Police	228,426	251,926	280,759	273,321	275,621	294,900
Paving and street	10,197	20,749	51,802	2,103	11,485	4,156
Parks and recreation	226,859	234,341	199,677	203,685	192,800	331,809
Library	18,171	17,309	15,406	17,835	23,829	32,866
Operating grants and contributions	94,055	110,094	130,478	128,227	60,484	86,898
Capital grants and contributions	247,392	A. 171,317	3,491	-	-	219,600
Total governmental activities program revenues	<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>	<u>2,103,976</u>
Business-type activities:						
Charges for services						
Electric, water and sewer	<u>13,968,911</u>	<u>15,144,524</u>	<u>14,253,547</u>	<u>16,851,001</u>	<u>17,055,406</u>	<u>19,551,817</u>
Total business-type activities program revenues	<u>13,968,911</u>	<u>15,144,524</u>	<u>14,253,547</u>	<u>16,851,001</u>	<u>17,055,406</u>	<u>19,551,817</u>
Total primary government program revenues	<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>	<u>21,655,793</u>
Net (Expense) Revenues						
Governmental activities	(3,883,209)	(4,125,115)	(4,335,934)	(4,653,596)	(4,906,282)	(4,766,099)
Business-type activities	1,606,825	2,293,010	1,732,213	4,683,302	2,535,922	4,922,881
Total primary government program net expense	<u>(2,276,384)</u>	<u>(1,832,105)</u>	<u>(2,603,721)</u>	<u>29,706</u>	<u>(2,370,360)</u>	<u>156,782</u>
<b>General Revenues and Other Changes in Net Position</b>						
Governmental activities:						
Taxes						
Sales taxes	3,012,227	3,185,997	3,275,321	3,730,723	3,431,399	3,488,475
Franchise taxes	143,586	162,759	146,319	151,625	135,253	142,040
Hotel/Motel taxes	210,076	219,019	222,936	270,564	318,487	297,152
Investment earnings	7,153	4,803	10,801	7,743	3,918	3,389
Transfers	<u>136,989</u>	<u>585,468</u>	<u>914,081</u>	<u>321,544</u>	<u>406,434</u>	<u>2,347,835</u>
Total governmental activities	<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>	<u>6,278,891</u>
Business-type activities:						
Investment earnings	18,495	14,087	11,496	12,204	12,351	8,930
Transfers	<u>(136,989)</u>	<u>(585,468)</u>	<u>(914,081)</u>	<u>(321,544)</u>	<u>(406,434)</u>	<u>(2,347,835)</u>
Total business-type activities	<u>(118,494)</u>	<u>(571,381)</u>	<u>(902,585)</u>	<u>(309,340)</u>	<u>(394,083)</u>	<u>(2,338,905)</u>
Total primary government	<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>	<u>3,939,986</u>
<b>Changes in Net Position</b>						
Governmental activities	(373,178)	32,931	233,524	(171,397)	(610,791)	1,512,792
Business-type activities	<u>1,488,331</u>	<u>1,721,629</u>	<u>829,628</u>	<u>4,373,962</u>	<u>2,141,839</u>	<u>2,583,976</u>
Total primary government	<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>	<u>\$ 4,096,768</u>

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

TABLE A-2

2016	2017	2018	2019
\$ 697,407	\$ 649,067	\$ 546,294	\$ 624,090
701,452	740,246	764,143	812,677
473,390	480,753	510,309	547,489
2,171,640	2,259,591	2,269,710	2,545,281
1,356,218	1,238,574	1,335,446	1,276,557
1,061,374	1,101,262	1,113,057	1,183,383
515,985	511,324	519,798	554,824
234,349	240,257	255,314	285,713
252,050	225,050	197,100	188,100
7,463,865	7,446,124	7,511,171	8,018,114
14,721,612	14,772,164	15,082,355	15,808,351
14,721,612	14,772,164	15,082,355	15,808,351
22,185,477	22,218,288	22,593,526	23,826,465
91,839	142,640	92,630	132,723
1,102,931	1,215,053	1,213,940	1,230,181
315,638	347,779	359,665	406,947
2,219	-	27,146	908
186,002	191,187	191,412	179,350
18,130	19,163	21,062	21,785
142,999	69,403	64,384	80,759
52,350	3,050	-	-
1,912,108	1,988,275	1,970,239	2,052,653
22,691,589	20,484,503	18,444,719	23,007,770
22,691,589	20,484,503	18,444,719	23,007,770
24,603,697	22,472,778	20,414,958	25,060,423
(5,551,757)	(5,457,849)	(5,540,932)	(5,965,461)
7,969,977	5,712,339	3,362,364	7,199,419
2,418,220	254,490	(2,178,568)	1,233,958
3,597,499	3,759,664	4,055,937	3,888,574
136,844	128,601	115,006	132,500
296,831	316,075	362,937	352,302
2,926	3,382	4,303	6,525
2,663,586	822,556	1,925,344	1,760,074
6,697,686	5,030,278	6,463,527	6,139,975
8,185	8,655	9,056	14,234
(2,663,586)	(822,556)	(1,925,344)	(1,760,074)
(2,655,401)	(813,901)	(1,916,288)	(1,745,840)
4,042,285	4,216,377	4,547,239	4,394,135
1,145,929	(427,571)	922,595	174,514
5,314,576	4,898,438	1,446,076	5,453,579
\$ 6,460,505	\$ 4,470,867	\$ 2,368,671	\$ 5,628,093



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

	Fiscal Year			
	2010	2011	2012	2013
General Fund				
Restricted	\$ 49,852	\$ 29,094	\$ 14,224	\$ 214
Unassigned	<u>863,051</u>	<u>395,568</u>	<u>190,139</u>	<u>857,542</u>
Total General Fund	<u>\$ 912,903</u>	<u>\$ 424,662</u>	<u>\$ 204,363</u>	<u>\$ 857,756</u>
All Other Governmental Funds				
Restricted				
Debt Service Fund	\$ 60,119	\$ 62,171	\$ 11,028	\$ 11,906
Capital Projects Fund	<u>218,502</u>	<u>93,702</u>	<u>6,053,685</u>	<u>3,363,060</u> A.
Total all other governmental funds	<u>\$ 278,621</u>	<u>\$ 155,873</u>	<u>\$ 6,064,713</u>	<u>\$ 3,374,966</u>

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

TABLE A-3

Fiscal Year					
2014	2015	2016	2017	2018	2019
\$ 296	\$ 2,421	\$ 1,419	\$ 14,497	\$ 13,475	\$ 16,029
<u>1,270,609</u>	<u>1,231,446</u>	<u>2,372,108</u>	<u>1,356,179</u>	<u>1,946,866</u>	<u>1,969,614</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>	<u>\$ 1,985,643</u>
\$ 12,825	\$ 6,523	\$ 13,362	\$ 14,443	\$ 9,848	\$ 6,430
<u>833,076</u>	<u>507,620</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 845,901</u>	<u>\$ 514,143</u>	<u>\$ 13,362</u>	<u>\$ 14,443</u>	<u>\$ 9,848</u>	<u>\$ 6,430</u>

TABLE A-4

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

	<b>Fiscal Year</b>			
	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
<b>Revenues</b>				
Taxes	\$ 3,365,889	\$ 3,567,775	\$ 3,644,576	\$ 4,152,912
Licenses and permits	221,005	69,898	155,254	54,839
Charges for service	1,064,615	1,185,540	1,174,660	1,275,560
Fines and forfeitures	217,430	235,733	261,493	256,378
Miscellaneous	439,046	369,023	256,783	180,943
Total Revenues	<u>5,307,985</u>	<u>5,427,969</u>	<u>5,492,766</u>	<u>5,920,632</u>
<b>Expenditures</b>				
Administrative	502,238	516,991	612,838	546,441
Sanitation	597,076	611,343	631,313	653,542
Fire	373,785	409,387	367,911	371,718
Police	1,524,372	1,600,314	1,734,608	1,736,455
Paving and street	428,013	453,560	447,899	450,841
Parks and recreation	715,406	752,668	810,104	845,205
Library	277,401	275,958	296,039	302,686
Garage	169,988	173,673	172,278	182,681
Capital outlay	497,732	773,312	718,971	1,862,161
Debt service				
Interest	292,398	267,220	246,345	366,800
Principal	745,000	790,000	850,000	960,000
Total Expenditures	<u>6,123,409</u>	<u>6,624,426</u>	<u>6,888,306</u>	<u>8,278,530</u>
Excess of revenues over (under) expenditures	(815,424)	(1,196,457)	(1,395,540)	(2,357,898)
<b>Other Financing Sources (Uses)</b>				
Proceeds from borrowing	-	-	6,000,000 A	-
Proceeds from refunding	-	-	3,100,000 B	-
Redemption of refunded bonds	-	-	(2,930,000) B	-
Transfers in	1,606,128	1,767,478	2,160,929	2,874,484
Transfers out	(1,469,139)	(1,182,010)	(1,246,848)	(2,552,940)
Total other financing sources	<u>136,989</u>	<u>585,468</u>	<u>7,084,081</u>	<u>321,544</u>
Net change in fund balances	<u>\$ (678,435)</u>	<u>\$ (610,989)</u>	<u>\$ 5,688,541</u>	<u>\$ (2,036,354)</u>
Debt service as a percentage of noncapital expenditures	18.4%	18.1%	17.8%	20.7%

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					
2014	2015	2016	2017	2018	2019
\$ 3,885,139	\$ 3,927,667	\$ 4,031,174	\$ 4,204,340	\$ 4,533,880	\$ 4,373,376
78,737	66,122	61,394	108,801	62,259	104,453
1,311,551	1,290,760	1,357,043	1,436,597	1,440,739	1,426,243
261,363	280,259	298,337	324,687	370,040	360,926
88,191	430,104	190,184	126,335	21,089	174,036
<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>	<u>6,439,034</u>
569,230	590,106	584,639	579,236	489,166	552,891
705,087	701,257	701,332	740,126	764,023	812,556
393,104	396,935	420,082	429,930	470,361	469,002
1,802,083	1,882,425	1,912,124	2,059,888	2,182,844	2,310,261
486,078	536,667	533,445	591,772	682,258	578,273
802,039	933,864	885,012	931,813	961,081	969,930
335,764	350,494	365,558	370,697	395,713	409,877
198,707	201,151	204,859	219,323	247,642	264,100
1,498,439	1,820,144	1,063,738	807,251	838,093	1,402,234
366,800	278,500	252,050	225,050	197,100	188,100
990,000	1,020,000	1,040,000	1,070,000	540,000	220,000
<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>	<u>8,177,224</u>
(2,522,350)	(2,716,631)	(2,024,707)	(1,824,326)	(1,340,274)	(1,738,190)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
3,276,767	3,638,885	4,457,253	2,117,649	2,657,288	2,164,381
<u>(2,870,333)</u>	<u>(1,291,050)</u>	<u>(1,793,667)</u>	<u>(1,295,093)</u>	<u>(731,944)</u>	<u>(404,307)</u>
406,434	2,347,835	2,663,586	822,556	1,925,344	1,760,074
<u>\$ (2,115,916)</u>	<u>\$ (368,796)</u>	<u>\$ 638,879</u>	<u>\$ (1,001,770)</u>	<u>\$ 585,070</u>	<u>\$ 21,884</u>
20.4%	18.8%	18.7%	17.9%	10.6%	6.0%

**(This Page Intentionally Left Blank)**

## **REVENUE CAPACITY**

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

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

<b>Tax Year</b>	<b>Real Property (1)</b>		<b>Personal (1)</b>
	<b>Assessed Value</b>	<b>Estimated Actual Value</b>	<b>Assessed Value</b>
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
2018	480,902,271	480,902,271	59,874,367

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

**TABLE B-1**

<b>Personal (1)</b>	<b>Total Property</b>		<b>Ratio of Total</b>	<b>Total</b>
<b>Estimated</b>	<b>Assessed</b>	<b>Estimated</b>	<b>Assessed to</b>	
<b>Actual Value</b>	<b>Value</b>	<b>Actual Value</b>	<b>Total</b>	<b>Direct Rate</b>
			<b>Estimated</b>	<b>Applied</b>
			<b>Actual Value</b>	
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%
59,874,367	540,776,638	540,776,638	100%	0%



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

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

<b>County Fiscal Year</b>	<b>City General Fund</b>	<b>School District</b>	<b>County</b>	<b>Total</b>
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
2018	.00	1.3900	0.6461	2.0361

<b>County Fiscal Year</b>	<b>City General Fund</b>	<b>School District</b>	<b>County</b>	<b>Total</b>
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
2018	-	22,841,226	21,980,245	44,821,471

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**

(*) Name	Kilowatt Hours	Rank	Percent of Total
Livingston Independent School Dist.	6,136,191	1	7.61%
Polk County	3,865,559	2	4.80%
Brookshire Brothers	2,156,292	3	2.68%
HEB Grocery	1,916,575	4	2.38%
Lowe's Home Improvement	1,514,491	5	1.88%
The Bradford	1,041,675	6	1.29%
Factory Stores of America	936,540	7	1.16%
McDonalds	875,734	8	1.09%
Pine Ridge Healthcare Center	758,964	9	0.94%
First State Bank	541,540	10	0.67%
First National Bank	-		0.00%
	<u>19,743,561</u>		<u>24.50%</u>

**TEN LARGEST ELECTRIC CUSTOMERS  
FISCAL 2009 KILOWATT HOURS**

Kilowatt Hours	Rank	Percent of Total
7,742,691	1	8.90%
1,957,255	4	2.25%
2,393,324	2	2.75%
1,938,488	5	2.23%
2,097,256	3	2.41%
-		0.00%
1,326,120	6	1.52%
648,304	9	0.74%
850,291	7	0.98%
731,303	8	0.84%
518,076	10	0.60%
<u>20,203,108</u>		<u>23.21%</u>

**TEN LARGEST WATER CUSTOMERS  
FISCAL 2018 GALLONS USED**

(*) Name	Gallons Used	Rank	Percent of Total
Texas Department of Criminal Just.	285,290,000	1	50.03%
IAH Detention Facility	36,086,000	2	6.33%
CHI St Luke's Health	17,167,000	3	3.01%
Livingston Independent School Dist.	13,637,000	4	2.39%
Pine Hill Apartments	6,131,000	5	1.08%
Polk County	5,472,000	6	0.96%
The Bradford	4,755,000	7	0.83%
Camp Cho Yeh	4,461,000	8	0.78%
Pine Ridge Healthcare Center	4,358,000	9	0.76%
La Quinta	2,142,000	10	0.38%
Walmart Super Center	-		0.00%
Memorial Medical Center	-		0.00%
	<u>379,499,000</u>		<u>66.56%</u>

**TEN LARGEST WATER CUSTOMERS  
FISCAL 2009 GALLONS USED**

Gallons Used	Rank	Percent of Total
243,291,000	1	42.51%
32,263,000	2	5.64%
-		0.00%
14,545,000	4	2.54%
6,873,000	6	1.20%
3,879,000	7	0.68%
3,829,000	9	0.67%
8,412,000	5	1.47%
2,139,000	10	0.37%
-		0.00%
3,873,000	8	0.68%
14,917,000	3	2.61%
<u>334,021,000</u>		<u>58.36%</u>

(\*) Information provided by City of Livingston

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

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

<u>Fiscal Year</u>	<u>Total Tax Levy</u>	<u>Current Tax Collections</u>	<u>Percent of Levy Collected</u>	<u>Delinquent Tax Collections</u>	<u>Total Tax Collections</u>
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	-	-
2018-19	N/A	N/A	N/A	-	-

\* City discontinued levying property taxes in fiscal 1989.

TABLE B-4

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

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

	Fiscal Year			
	2009	2010	2011	2012
Mining	\$ 139,367	\$ -	\$ -	\$ -
Construction	2,566,018	5,362,638	5,188,507	5,879,331
Manufacturing	4,670,834	4,047,613	3,615,697	4,907,254
Transportation, communication, utility	293,334	285,717	324,431	226,591
Wholesale Trade	7,407,560	6,784,579	9,500,142	9,603,888
Retail Trade	136,583,087	132,247,339	133,603,936	138,173,284
Finance, insurance, real estate	1,666,834	1,120,298	1,149,143	1,865,566
Services	<u>34,823,277</u>	<u>34,106,509</u>	<u>34,841,742</u>	<u>36,840,033</u>
Total	<u>\$188,150,311</u>	<u>\$ 183,954,693</u>	<u>\$ 188,223,598</u>	<u>\$ 197,495,947</u>

Source: State Comptroller's Office

TABLE B-5

Fiscal Year					
2013	2014	2015	2016	2017	2018
\$ -	\$ -	\$ -	\$ 5,892	\$ -	\$ -
4,302,348	4,357,712	5,839,513	2,828,797	3,368,703	4,999,590
6,711,331	5,935,164	7,437,680	7,338,917	7,838,552	6,131,611
231,890	248,119	229,389	237,053	257,023	147,792
10,848,869	10,046,996	9,793,097	6,611,068	6,299,002	6,167,509
142,313,890	142,208,459	124,622,403	150,182,763	153,086,173	155,304,015
1,899,028	2,013,205	2,471,029	2,353,850	2,301,532	2,510,620
<u>38,727,778</u>	<u>39,477,491</u>	<u>43,277,048</u>	<u>45,521,468</u>	<u>45,484,035</u>	<u>45,787,613</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>	<u>\$ 221,048,750</u>

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

---

	<b>Fiscal Year</b>			
	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
Electrical revenues	\$ 10,362,512	\$ 11,196,010	\$ 10,123,366	\$ 12,539,645
Water revenues	2,326,923	2,279,605	2,107,111	2,908,495
Sewer revenues	<u>1,279,476</u>	<u>1,668,909</u>	<u>2,023,070</u>	<u>1,402,861</u>
Total	<u>\$ 13,968,911</u>	<u>\$ 15,144,524</u>	<u>\$ 14,253,547</u>	<u>\$ 16,851,001</u>

Sources: Various City Departments

**TABLE B-6**

<b>Fiscal Year</b>					
<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
\$ 12,262,970	\$ 14,952,135	\$ 17,663,467	\$ 14,998,630	\$ 13,011,389	\$ 17,565,089
2,916,915	2,707,222	2,947,552	3,367,577	3,337,436	3,243,058
<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>2,199,623</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>	<u>\$ 23,007,770</u>



**(This Page Intentionally Left Blank)**

### **DEBT CAPACITY**

**These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.**

TABLE C-1

**CITY OF LIVINGSTON, TEXAS**  
**RATIOS OF OUTSTANDING DEBT BY TYPE**  
**Last Ten Fiscal Years**

<u>Fiscal Year</u>	<u>CERTIFICATES OF OBLIGATION</u>	<u>GENERAL OBLIGATION BONDS</u>	<u>TOTAL GOVERNMENTAL ACTIVITIES</u>	<u>BUSINESS-TYPE ACTIVITIES WATER SERVICE CONTRACTS PAYABLE</u>	
2009-10	4,055,000	2,735,000	6,790,000	2,785,000	(2)
2010-11	3,605,000	2,395,000	6,000,000	2,715,000	
2011-12	6,205,000 (4)	5,115,000 (4)	11,320,000	2,640,000	
2012-13	6,055,000	4,305,000	10,360,000	23,140,000	(5)
2013-14	5,900,000	3,470,000	9,370,000	22,510,000	
2014-15	5,850,000	2,500,000	8,350,000	21,900,000	
2015-16	5,800,000	1,510,000	7,310,000	21,280,000	
2016-17	5,750,000	490,000	6,240,000	20,645,000	
2017-18	5,700,000	-	5,700,000	19,990,000	
2018-19	5,480,000	-	5,480,000	19,315,000	

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

(1) U.S. Census 2000.

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

(3) U.S. Census 2010.

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

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

TABLE C-1

<b><u>TOTAL PRIMARY GOVERNMENT</u></b>	<b><u>PERCENTAGE OF PERSONAL INCOME</u></b>	<b><u>GROSS BONDED DEBT PER CAPITA</u></b>	<b><u>NET BONDED DEBT PER CAPITA</u></b>	<b><u>POPULATION</u></b>
9,575,000	5.14%	1,250	1,239	5,433 (1)
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
24,795,000	11.78%	1,027	1,026	5,335

**CITY OF LIVINGSTON, TEXAS**  
**RATIO OF NET GENERAL BONDED DEBT TO**  
**ASSESSED VALUE AND NET BONDED DEBT PER CAPITA**  
**Last Ten Fiscal Years**

<u>Fiscal Year</u>	<u>Population</u>	<u>Assessed Value (1)</u>	<u>Gross Bonded Debt (3)</u>	<u>Less: Debt Service Fund</u>
2009-10	5,433 (2)	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
2018-19	5,335	540,776,638	5,480,000	6,430

(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

**TABLE C-2**

<b>Net Bonded Debt</b>	<b>Ratio of Net Bonded Debt to Assessed Value</b>	<b>Net Bonded Debt Per Capita</b>
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
5,473,570	-	1,026

**CITY OF LIVINGSTON, TEXAS**  
**COMPUTATION OF DIRECT AND OVERLAPPING DEBT**  
**September 30, 2019**

<b>Governmental Unit</b>	<b>Outstanding Debt</b>	<b>Percentage Applicable to This Governmental Unit *</b>	<b>City of Livingston's Share of Debt</b>
City of Livingston	\$ 5,480,000	100%	\$ 5,480,000
(1) Livingston Independent School District	58,130,000	20%	11,626,000
(2) County of Polk	20,722,033	13%	2,693,864
Total overlapping debt	78,852,033		14,319,864
Total direct and overlapping debt	\$ 84,332,033		\$ 19,799,864

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

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

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

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

**CITY OF LIVINGSTON, TEXAS  
COMPUTATION OF LEGAL DEBT MARGIN  
September 30, 2019**

Assessed value, year 2018	<u>\$ 540,776,638</u>
Debt Limit - Ten Percent of assessed value	54,077,664
Amount of Debt Applicable to Debt Limit:	
Other debt (certificate of obligation and contracts payable)	<u>24,795,000</u>
Total debt	<u>24,795,000</u>
Less: Assets in debt service fund	6,430
Total amount of debt applicable to debt limit	<u>24,788,570</u>
Legal debt margin	<u>\$ 29,289,094</u>

<b>Fiscal Year</b>	<b>Debt Limit</b>	<b>Total Net Debt Applicable to Limit</b>	<b>Legal Debt Margin</b>	<b>Legal Debt Margin as a Percentage of the Debt Limit</b>
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%
2019	\$ 54,077,664	\$ 24,788,570	\$ 29,289,094	54.16%

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.



**(This Page Intentionally Left Blank)**

## **DEMOGRAPHIC AND ECONOMIC INFORMATION**

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

TABLE D-1

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

---

<b>Fiscal Year</b>	<b>Population</b>	<b>Personal Income</b>	<b>Per Capita Personal Income</b>	<b>Unemployment Rate</b>
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%
2018-19	5,335	210,401,730	39,438	4.30%

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

TABLE D-2

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

(*) Name	<b><u>2019</u></b>			<b><u>2010</u></b>		
	<u>Employees</u>	<u>Rank</u>	<u>Percent of Total City Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percent of Total City Employment</u>
Livingston Independent School Dist.	446	1	5.72%	624	1	8.00%
Walmart Super Center	373	2	4.78%	370	3	4.74%
Polk County	297	3	3.81%	335	4	4.29%
CHI St Luke's Health	264	4	3.38%	500	2	6.41%
The Bradford	168	5	2.15%	140	7	1.79%
Sam Houston Electric Coop	162	6	2.08%	159	6	2.04%
Lowe's Home Improvement	160	7	2.05%	127	9	1.63%
IAH Detention Facility	158	8	2.03%	213	5	2.73%
Pine Ridge Healthcare Center	99	9	1.27%	132	8	1.69%
First National Bank	95	10	1.22%			0.00%
Brookshire Brothers	-		0.00%	85	10	1.09%
	<u>2,222</u>		<u>28.49%</u>	<u>2,685</u>		<u>34.42%</u>

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

**(This Page Intentionally Left Blank)**

## **OPERATING INFORMATION**

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

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

Full-time Equivalent Employees as of September 30,					
<b>FUNCTION/PROGRAM</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
Administrative B	10	12	12	12	12
Fire A	2	2	2	2	2
Police					
Officers	18	18	18	18	18
Other staff	6	8	8	8	8
Paving and street	6	5	6	4	6
Parks and recreation	11	8	8	7	9
Library	5	5	5	5	5
Garage	2	2	2	2	2
Electric, Water & Sewer	<u>19</u>	<u>17</u>	<u>16</u>	<u>17</u>	<u>21</u>
Total	<u>79</u>	<u>77</u>	<u>77</u>	<u>75</u>	<u>83</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.

TABLE E-1

<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
12	12	11	13	12
1	1	1	1	1
18	18	18	19	20
8	8	7	8	7
7	6	7	5	5
9	9	9	8	10
5	5	5	5	5
2	2	2	2	2
<u>19</u>	<u>20</u>	<u>20</u>	<u>18</u>	<u>19</u>
<u>81</u>	<u>81</u>	<u>80</u>	<u>79</u>	<u>81</u>



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

<b>FUNCTION/PROGRAM</b>	<b>Fiscal Year</b>			
	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
Police				
Violations (Traffic & Criminal)	3,317	4,494	4,880	4,881
Fire				
Fire Calls	717	850	613	572
Library				
Volumes of Books	22,287	23,544	21,759	19,599
Electric				
Average daily kilowatt hours sold	238,439	243,342	227,099	232,027
Total customers	3,296	3,286	3,295	3,310
Water				
Average daily consumption	1,567,956	1,611,014	1,507,419	1,956,984
Total connections	3,265	3,251	3,261	3,293

Sources: Various City Departments

TABLE E-2

<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
4,588	4,402	4,840	4,273	4,735	4,382
508	531	592	587	627	523
18,335	19,798	19,817	21,305	19,466	20,999
232,292	234,643	230,634	282,310	229,114	220,793
3,320	3,316	3,313	3,286	3,321	3,332
1,847,951	1,458,384	1,528,677	1,569,050	1,553,392	1,562,151
3,286	3,299	3,289	3,291	3,302	3,325

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

<b>FUNCTION/PROGRAM</b>	<b>Fiscal Year</b>			
	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
Police				
Patrol Units	10	10	16	16
Fire				
Stations and substation	3	3	3	3
Vehicles including fire trucks	17	17	17	15
Paving and Street				
Miles of Paved Streets	58.06	58.06	58.06	58.06
Miles of Paved Sidewalks	12.50	12.50	12.50	12.50
Street lights	723	818	824	819
Night lights	424	435	452	452
Parks & Recreation				
Acres of Parks	373.50	373.50	373.50	373.50
Water				
Miles of water mains	40.43	45.25	45.78	45.78
Storage capacity-gallons	2,150,000	2,150,000	2,150,000	2,150,000
Sewer				
Miles of sewer lines	80.00	80.00	80.00	80.75

Sources: Various City Departments

TABLE E-3

2014	2015	2016	2017	2018	2019
16	17	17	19	19	19
3	3	3	4	4	4
17	15	15	15	16	15
58.06	58.06	59.06	59.06	59.06	59.06
12.50	12.50	12.50	12.50	12.50	12.50
821	826	828	828	830	832
467	463	472	481	483	474
373.50	373.50	373.50	373.50	373.50	373.50
46.63	47.43	48.18	48.49	48.51	49.71
3,150,000	3,300,000	3,300,000	3,300,000	3,300,000	3,300,000
80.75	81.30	81.60	81.60	81.60	81.72

**(This Page Intentionally Left Blank)**

**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**

2010	5,554	2015	5,572
2011	5,572	2016	5,572
2012	5,572	2017	5,572
2013	5,572	2018	5,572
2014	5,572	2019	5,572

**TRANSPORTATION FACILITIES**Streets

59.06 Miles paved street  
9.85 Unpaved streets  
10.50 Miles undeveloped streets  
12.50 Miles sidewalk

Highways

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

Railways

Union Pacific RR Company

Municipal Airport

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

**WATER AND SANITATION FACILITIES**Water Mains

12" 9.55 miles  
8" 14.16 miles  
6" 21.65 miles  
20" 4.35 miles

Water Pumpage

Present requirements 2,350,000  
gallons per day

Water Storage

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

Sewer Lines

Sanitation - 81.72 miles of line  
Storm - Adequate for proper  
drainage

## CITY OF LIVINGSTON, TEXAS

## MISCELLANEOUS STATISTICAL DATA - UNAUDITED

**PERSONNEL**

<u>Department</u>	<u>Number of Employees</u>	<u>Employees Statistics</u>	
		<u>Years of Service</u>	<u>Number of Employees</u>
Administrative	10	31+	5
Electric	7	20-30	9
Water	9	15-19	11
Sewer	3	10-14	14
Police	27	6-9	15
Street	5	1-5	19
Parks and Recreational	7	Less than (one) 1 year	8
Library	5		
Garage	2		81
Community Devel.	2		
Fire	1		
Main Street	1		
Trade Days	2		
Total	81		

**PERSONNEL POLICY PROVISIONS**

Cost of Living Salary Adjustment

Merit System (all regular full-time employees)

Paid vacation (80 hours after one year)

(120 hours after 10 years)

(160 hours after 20 years)

Paid sick leave (80 hours) with 240 hours accrual

Paid Holidays (Eleven)

Bereavement Leave (24 hours)

Earned personal leave days (Two)

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

Education tuition reimbursement

Family Leave (FMLA)

Workers Compensation Program

Paid insurance Benefits - all regular

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

Retirement Benefits ratio match 2:1

Social Security/Medicare

Volunteer Program (MVP)

Sick Leave Pool

Holiday Compensation

Law Enforcement Certificate Pay

Telecommunication Officer Certificate Pay

Paid uniforms for all service personnel

Healthy initiative program

Water/Wastewater Certificate pay



## CITY OF LIVINGSTON, TEXAS

## MISCELLANEOUS STATISTICAL DATA - UNAUDITED

**POLICE PROTECTION**Personnel

One (1) Chief  
 One (1) Lieutenant  
 Four (4) Sergeants  
 Two (2) Detectives  
 Nine (9) Officers  
 Two (2) Reserve Officers  
 Four (4) Telecommunication Officers  
 One (1) Relief Telecommunication Officer  
 One (1) Animal Control Officer  
 Three (3) School Officers

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

Equipment

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

Traffic and Criminal Violations

\$233,846 fines collected  
 4,382 violations

**FIRE PROTECTION**Personnel

One (1) Fire Chief  
 Forty-one (41) volunteer firemen  
 One (1) radio dispatcher - full time and (standby-PD)  
 One (1) secretary

Equipment

Five (5) pumpers (4-1250 GPM; 1-750 GPM)  
 One (1) aerial ladder truck (2000 GPM)  
 Two (2) tankers (3000 gal. capacity)  
 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 2 set of air bags)  
 Water rescue equipment  
 Trench rescue equipment  
 Rope rescue equipment  
 Four (4) Thermal imagers  
 Two (2) utility vehicles  
 Three (3) Grass/brush fire trucks  
 One (1) Heavy Rescue  
 1-6 Bottle cascade system-light tower  
 1-8 Bottle cascade system  
 300 gallons AFFF Foam  
 200 gallons Forestry Foam  
 One (1) John Deere Gator  
 One (1) Skid Unit

Housing

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

1996 Station 2 - 5 Truck bays

2007 Station 3 - 2 Truck bays

2016 Station 4 - 4 Truck bays

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

Total Fire Calls

2018-2019 - 523 fire calls

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

## 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, 2019**

(1) CenterPoint Energy	Gas Utility	Active Customers 1,145 Inactive Customers N/A
(1) LivCom	Telephone System	Access Lines - 4,363
(1) LivCom	Television Cable	Customers - 424
City of Livingston	Electric & Water Systems	Electric Customers 3,332 Water Customers 3,325
(1) Information provided by individual corporate offices		

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

Fiscal Year	Number of Customers	KWH Consumed		Total
		Residential	Commercial	
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
2019	3,332	26,887,498	53,701,934	80,589,432

## CITY OF LIVINGSTON, TEXAS

## MISCELLANEOUS STATISTICAL DATA - UNAUDITED

MUNICIPAL SALES TAX

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
2018-19	\$ 3,888,574

WATER DEPARTMENT STATISTICS (LAST TEN YEARS)

<u>Year</u>	<u>Gallons Consumed *</u>	<u>Gallons Pumped</u>
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
2019	573,640,000	857,890,000

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

\* EDUCATIONAL FACILITIESPublic Schools

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

Public School Miscellaneous Data

Teachers - 267.5 Certified  
 78 Aides Para Professional  
 101 Auxiliary  
 Average Daily Attendance - 3,691 Inclusive

Public School Administrative Personnel

Superintendent - One (1)  
 Chief Officers - Two (2)  
 Principals - Eight (8)  
 Asst. Principals - Nine (9)  
 Counselors - Eight (8)  
 Directors of Special Prog./Curriculum -  
 Four (4)  
 Other - Sixteen (16)

Private

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

College

Angelina Junior College/  
 Polk County Commerce Center Fall 2019  
 Enrollment 556

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

## CITY OF LIVINGSTON, TEXAS

## MISCELLANEOUS STATISTICAL DATA - UNAUDITED

**CULTURAL AND RECREATIONAL ACTIVITIES**Barney Wiggins Fairgrounds

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

Matthews Park

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

Livingston Municipal Library

Located at 707 North Tyler Avenue. Opened  
 at new location May 2014 valued at \$2,500,000.  
 Staff-Professional Librarian, Four (4) Assistants,  
 Janitorial help.  
 Volumes; 2019 - 20,999

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 2019	37,914
* Number voting in last general election November 2019	3,559
Number of registered voters in City 2019	3,074
** Number voting in last Municipal election (May 2016)	247
Percentage of voters voting:	
Last general election (County) (November 2019)	9.38%
** 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, 2019**

---

<u>Name</u>	<u>Title</u>	<u>Amount of Surety Bond</u>
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.



