



CITY OF LIVE OAK

101 White Avenue S.E.

Audited Financial Statements and
Independent Auditors Report
Year ended 9/30/2021

**FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORTS
CITY OF LIVE OAK, FLORIDA
SEPTEMBER 30, 2021**

CITY OF LIVE OAK, FLORIDA

CITY OFFICIALS

September 30, 2021

Officials

**Elected Term
Expiration**

Mayor

Frank C. Davis

June 2022

City Council

Don Allen

June 2024

David Burch

June 2024

Robintina Reed

June 2022

Mark Stewart

June 2022

Lynda Brown Owens

June 2024

City Clerk

John Gill

June 2022

City Attorney

Fred Koberlein, Attorney at Law

City Administration

George D. Curtis

City Manager

Joanne M. Luther

Director of Finance

**CITY OF LIVE OAK, FLORIDA
TABLE OF CONTENTS**

September 30, 2021

Financial Section

Independent Auditor’s Report	1
Management’s Discussion and Analysis (Unaudited)	4
Basic Financial Statements	
Statement of Net Position	16
Statement of Activities	17
Fund Financial Statements:	
Balance Sheet – Governmental Funds	18
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	19
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	20
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	21
Statement of Net Position – Proprietary Funds	22
Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds	23
Statement of Cash Flows – Proprietary Funds	24
Statement of Fiduciary Net Position – Fiduciary Funds	26
Statement of Changes in Fiduciary Net Position	27
Notes to the Financial Statements	29
Required Supplemental Information:	
Budgetary Comparison Schedule – General Fund	69
Budgetary Comparison Schedule – Community Redevelopment Tax Fund	72
Firefighter Pension Trust Fund Schedule of Changes in Net Pension Liability and Related Relations	73
Firefighter Pension Trust Fund Schedule of Investment Returns	74
Florida Retirement Fund Schedule of the City’s Proportionate Share of Net Pension Liability	75
Florida Retirement Fund Schedule of City’s Contributions	76
Other Post-Employment Benefits Schedule Total Liability and Related Relations	77
Combining and Individual Fund Financial Statements:	
Combining Balance Sheet – Non-Major Governmental Funds	79
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Non-Major Governmental Funds	80

CITY OF LIVE OAK, FLORIDA

TABLE OF CONTENTS

September 30, 2021

Capital Assets Used in the Operation of Governmental Funds:

Comparative Schedules by Source	82
Schedule by Function and Activity	83
Schedule of Changes by Function and Activity	84

Other Information

Schedule of Expenditures of Federal Awards and State Financial Assistance	86
Notes to Schedules of Expenditures of Federal Awards	87
Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	88-89
Independent Accountants' Report on Compliance with Section 218.415 Florida Statutes	90
Management Letter	91-93
Affidavit of Impact Fee Compliance	94

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and
Members of the Council
City of Live Oak
Live Oak, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Live Oak, Florida, (the City) as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 City'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 City'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 opinions.

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The Honorable Mayor and
Members of the Council
City of Live Oak
Live Oak, Florida

INDEPENDENT AUDITOR'S REPORT

Opinions

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, each major fund, and the aggregate remaining fund information of the City as of September 30, 2021, and the respective changes in financial position and, where applicable, cash flows, thereof 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 and required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual non-major fund financial statements on pages 79 through 80, the capital asset schedules on pages 82 through 84, and the schedule of expenditures of federal awards and state financial assistance on page 86 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual non-major fund financial statements and the schedule of expenditures of federal awards and state financial assistance are the responsibility of management and were derived from, and relate directly to, the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statement themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual non-major fund financial statements and the schedule of expenditures of federal awards and state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.

The Honorable Mayor and
Members of the Council
City of Live Oak
Live Oak, Florida

INDEPENDENT AUDITOR'S REPORT

The capital asset schedules on pages 82 through 84 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 26, 2022, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*, in considering the City's internal control over financial reporting and compliance.



April 26, 2022
Tallahassee, Florida

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

The City of Live Oak's (the "City") discussion and analysis is to provide an introduction to the basic financial statements for the fiscal year ended September 30, 2021, with selected comparative information for the fiscal year ended September 30, 2020. This discussion has been prepared by management and should be read in conjunction with the basic financial statements, footnotes, and supplementary information found in this report. This information taken collectively is designed to provide readers with an understanding of the City's finances.

Financial Highlights

- The assets and deferred outflows of resources of the City of Live Oak exceed its liabilities and deferred inflows resources at the close of fiscal year 2021 by \$63,298,513 (net position). Requirements of GASB 68 ensure that all long-term debt is reflected in Net Position, therefore with the GASB 68 reporting the 2021 Governmental Activities Unrestricted Net Position is (\$1,570,841).
- The City's total net position increased by \$3,041,222 or 5.05%. The governmental activities net position increased by 3,279,270 including the current adjustment for GASB 68 long-term pension debt and the business-type net position decreased by (\$238,048) or 20.92% and .53% respectively.
- At the closing of the current fiscal year, the City's governmental funds reported a combined ending fund balance of \$10,530,778 an increase of \$2,202,997 in comparison with the prior year. At that time, 3,294,510 is at the government's discretion (unassigned fund balance).

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the City's basic financial statements. The basic financial statements consist of 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.

Government-Wide Financial Statements

The government-wide financial statements of the City provide a broad overview of the City's finances and report information about the City using accounting methods similar to those used by private sector companies.

The statement of Net Position includes all of the City's (1) assets and deferred outflows of resources, (2) liabilities and deferred inflows of resources, with the residual measure reported as *net position*. It also provides information about the nature and amounts of investments in resources (assets) and the obligations to City creditors (liabilities). The assets and liabilities are presented in a classified format, which distinguishes between current and long-term assets and liabilities. Net position, the difference between assets and liabilities, provide the basis for computing rate of return, evaluating the capital structure of the City, and assessing the liquidity and financial flexibility of the City. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The Statement of Activities measures the success of the City's operations over the past year and can be used to determine whether the City has successfully recovered all its costs through its services provided, as well as its profitability, and credit worthiness. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in the statement for some items that will only result in cash flows in future periods.

The government-wide statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). Governmental activities include general government, public safety, economic environment, physical environment, transportation, culture and recreation. Business-type activities include water and gas utilities, sewer, stormwater, and the refuse collection and disposal system. The government-wide financial statements can be found on page 16 of this report.

MANAGEMENT'S DISCUSSION AND ANALYSIS *(Continued)*

Fund Financial Statements

Governmental Funds - Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, these funds focus on near-term inflows and outflows of spendable resources as well as on balances of spendable resources available at the end of the fiscal year. As a result of this difference in focus, reconciliation is provided between the fund and government-wide statements in order to better understand the long-term impact of short-term financing decisions.

The City maintains six individual governmental funds. Information is presented separately for the general fund and capital projects fund and both are considered major funds. Data for the other governmental funds are aggregated into a single presentation. Individual fund data for these other non-major funds is provided in the form of combining statements elsewhere in this report. The basic governmental fund financial statements can be found on pages 16 to 19 of this report.

Proprietary Funds - The City maintains one type of proprietary fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. These funds account for the operations of providing water and sewer, gas, stormwater, and refuse collection and disposal. The basic proprietary fund financial statements can be found on pages 22 to 23 of this report.

Fiduciary Funds – Fiduciary funds are used to account for resources held for the benefit of parties outside of the government and, consequently, are not reflected in the government-wide statements because the resources are not available to support the City's own programs. The accounting for fiduciary funds is much like that of proprietary funds. The basic fiduciary fund statements can be found on pages 26 to 27 of this report.

Notes to the Financial Statements – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found beginning on page 29 of this report.

Other information - The City adopts an annual appropriated budget for its general fund and capital projects fund. A budgetary comparison schedule has been provided as required supplementary information for the general and capital project funds to demonstrate compliance with this budget. This information can be found beginning on page 69.

The combining statements referred to earlier in connection with non-major governmental funds can be found beginning on page 79 of this report.

Infrastructure Assets

Historically, a government's largest group of assets (infrastructure – roads, traffic signals, underground pipes, etc.) have not been reported nor depreciated in governmental financial statements. The Governmental Accounting Standards Board Statement #34 requires that these assets be valued and reported within the Governmental columns of the Government-wide Statements. Additionally, the government must elect to either (a) depreciate these assets over their estimated useful life or (b) develop a system of assets management designed to maintain the service delivery potential to near perpetuity. If the government develops the asset management system (the alternative method), which periodically (at least every third year), by category, measures and demonstrates its maintenance of locally established condition levels, the government may record all expenditures incurred (except for additions and improvements which extend the asset life) in lieu of depreciation. The City has elected to implement the depreciation method.

MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

Government-Wide Financial Analysis

Our analysis of the government-wide financial statements of the City begins below. One of the most important questions asked about the city's finances is, "Is the City as a whole better or worse off as a result of the year's activities?" The Summary of Net Position and the Summary of Activities report information about the City's activities in a way that will help answer this question. These two summaries report the net position of the City and changes in them. You can think of the City's net position – the difference between assets and liabilities – as one way to measure the financial health of financial position. Over time, increase or decreases in the City's net position are one indicator of whether its financial health is improving or deteriorating. However, you will need to consider other non-financial factors such as changes in economic conditions, regulations and new or changed governmental legislation.

Summary of Net Position

The Statement of Net Position presents the financial position of the City at the end of the fiscal year. The statement includes all assets and liabilities of the City. Net position is the difference between total assets and total liabilities and is an indicator of the current fiscal health of the City. The following is a summarized comparison of the City's assets, liabilities, and net position at September 30, 2021:

Condensed Statement of Net Position

	Governmental Activities		Business-Type Activities		Totals		Total %
	2021	2020	2021	2020	2021	2020	Change 2020-2021
Current and other assets	11,022,586	8,763,328	4,249,605	3,893,709	15,272,191	12,657,037	20.7%
Capital assets	13,411,180	13,051,387	52,504,768	53,833,251	65,915,948	66,884,638	-1.4%
Total assets	<u>24,433,766</u>	<u>21,814,715</u>	<u>56,754,373</u>	<u>57,726,960</u>	<u>81,188,139</u>	<u>79,541,675</u>	<u>2.1%</u>
Total Deferred Outflows	1,271,993	2,071,057	34,823	-	1,306,816	2,071,057	-36.9%
Current liabilities	491,808	435,547	1,718,965	2,237,384	2,210,773	2,672,931	-17.3%
Noncurrent liabilities	2,549,068	7,461,900	10,618,083	11,149,035	13,167,151	18,610,935	-29.3%
Total liabilities	<u>3,040,876</u>	<u>7,897,447</u>	<u>12,337,048</u>	<u>13,386,419</u>	<u>15,377,924</u>	<u>21,283,866</u>	<u>-27.7%</u>
Total Deferred Inflows	3,717,772	320,484	100,746	-	3,818,518	320,484	1091.5%
Net Position							
Net Investment in capital assets	13,411,180	13,051,387	41,164,449	41,494,393	54,575,629	54,545,780	0.1%
Restricted for debt service	-	-	207,410	286,856	207,410	286,856	-27.7%
Restricted for other purposes	7,106,772	5,826,358	641,878	446,686	7,748,650	6,273,044	23.5%
Unrestricted	(1,570,841)	(3,209,904)	2,337,665	2,361,515	766,824	(848,389)	190.4%
Total Net Position	<u>18,947,111</u>	<u>15,667,841</u>	<u>44,351,402</u>	<u>44,589,450</u>	<u>63,298,513</u>	<u>60,257,291</u>	<u>5.0%</u>

The majority of the City's net position, 86.22% and 90.52% at September 30, 2021 and 2020 respectively, represent its investment in capital assets (land, buildings, wastewater treatment plant, machinery and equipment), less the related indebtedness outstanding used to acquire those capital assets. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Since the City's investment in its capital assets is reported net of related debt, it should be noted that the resources required to repay this debt must be provided annually from operations, since it is unlikely that the capital assets themselves will be liquidated to pay the liabilities.

MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

Summary of Net Position (continued)

Restricted net position are proceeds of certain revenue note obligations, as well as certain resources restricted for their repayment, which are set aside in the government-wide financial statements. Their use is limited by applicable legal indentures imposed by applicable bond covenants and other legal indentures. Net position restricted for debt service and capital acquisitions represent 21.1% and 10.9% of net position at September 30, 2021 and 2020 respectively.

The changes in net position displayed below shows the governmental and business-type activities during the fiscal year.

	Governmental Activities		Business-Type Activities		Totals		Total % Change 2020-2021
	2021	2020	2021	2020	2021	2020	
<u>Revenues</u>							
Program revenue							
Charges for services	486,619	446,149	7,494,210	7,607,243	7,980,829	8,053,392	-0.90%
Capital Grants/Contributions	876,667	96,850	43,696	69,959	920,363	166,809	451.75%
Operating contributions	291,099	60,092	-	-	291,099	60,092	384.42%
General revenue							
Taxes	5,886,274	5,631,560	226,393	213,861	6,112,667	5,845,421	4.57%
Intergovernmental	347,518	316,615	-	-	347,518	316,615	9.76%
Investment earnings	16,540	37,875	3,531	2,427	20,071	40,302	-50.20%
Miscellaneous	113,875	104,939	16,318	(18,029)	130,193	86,910	49.80%
	<u>8,018,592</u>	<u>6,694,080</u>	<u>7,784,148</u>	<u>7,875,461</u>	<u>15,802,740</u>	<u>14,569,541</u>	<u>8.46%</u>
<u>Expenses</u>							
General government	1,822,964	1,974,723	-	-	1,822,964	1,974,723	-7.69%
Public safety	2,493,116	3,604,483	-	-	2,493,116	3,604,483	-30.83%
Transportation	1,221,999	1,764,631	-	-	1,221,999	1,764,631	-30.75%
Physical environment	296,347	384,557	-	-	296,347	384,557	-22.94%
Human services	29,750	29,750	-	-	29,750	29,750	0.00%
Economic Environment	103,101	122,282	-	-	103,101	122,282	-15.69%
Culture/recreation	289,223	241,540	-	-	289,223	241,540	19.74%
Water, sewer, stormwater, gas, and sanitation	-	-	6,505,018	6,234,656	6,505,018	6,234,656	4.34%
	<u>6,256,500</u>	<u>8,121,966</u>	<u>6,505,018</u>	<u>6,234,656</u>	<u>12,761,518</u>	<u>14,356,622</u>	<u>-11.1%</u>
Changes in net position							
before transfers	1,762,092	(1,427,886)	1,279,130	1,640,805	3,041,222	212,919	1328.35%
Interfund Services							
Provided (Used)	1,517,178	1,311,081	(1,517,178)	(1,311,081)	-	-	-
Change in net position	<u>3,279,270</u>	<u>(116,805)</u>	<u>(238,048)</u>	<u>329,724</u>	<u>3,041,222</u>	<u>212,919</u>	<u>1328.35%</u>
Net position - beginning	15,667,841	15,784,646	44,589,450	44,259,726	60,257,291	60,044,372	0.35%
Net position - ending	<u>18,947,111</u>	<u>15,667,841</u>	<u>44,351,402</u>	<u>44,589,450</u>	<u>63,298,513</u>	<u>60,257,291</u>	<u>5.05%</u>

The City's total revenue increased by 8.5% or 1,233,199. This was due to increase in Operating and Capital grant improvements. The Grants increased 451.7% or 753,554 predominately due to the DOT SCOP funded Winderweedle road project and Federal JAG public safety grants.

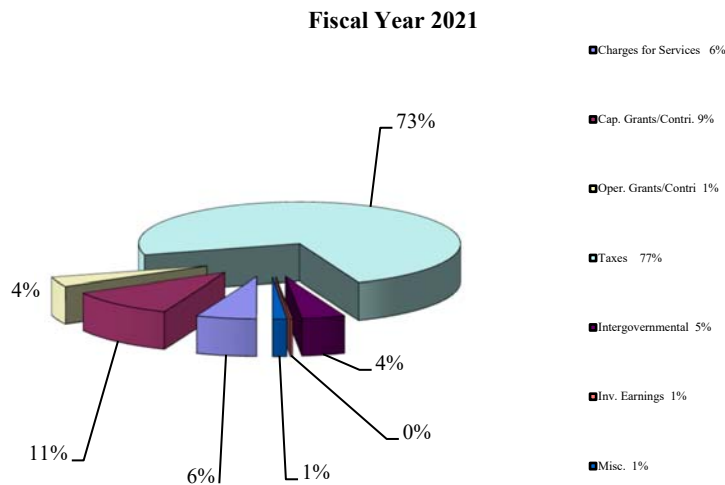
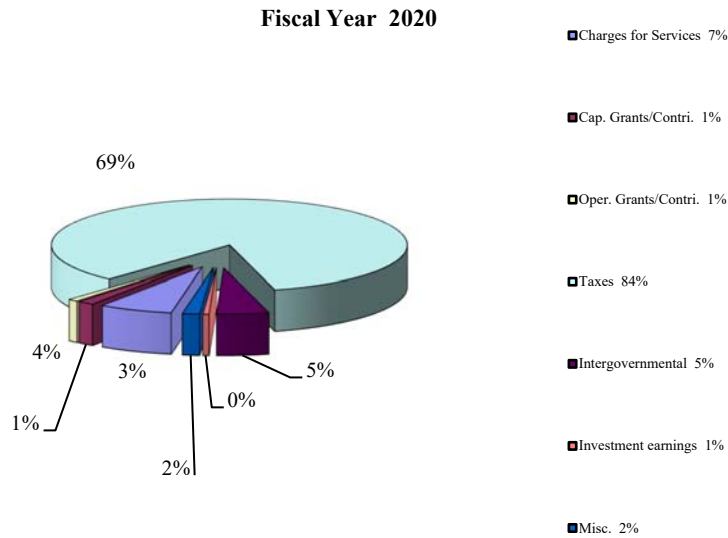
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

Governmental Activities

The cost of all governmental activities this year was \$6.2 million compared to \$8.1 million last year. However, as shown in the Statement of Activities on page 17, the amount the City's taxpayers ultimately paid for these activities through City and State taxes was \$5.8 million with the remaining amount being paid by Capital Grants, and Charges for Services and other sources. Overall, the City's governmental program revenues increased in fiscal year 2021 from \$603,091 to \$1,654,385 due to more funding from Operating and Capital Grants.

Below is a comparison of the composition of fiscal year 2020 and 2021 governmental funds revenues and expenses:

Revenue Comparison by Source

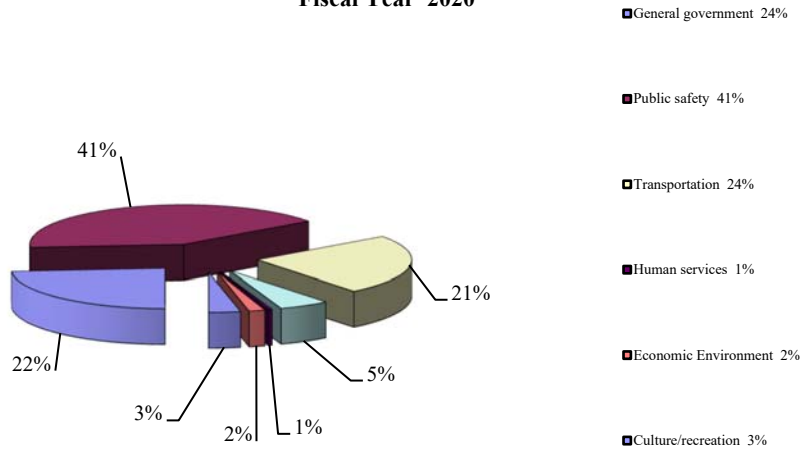


MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

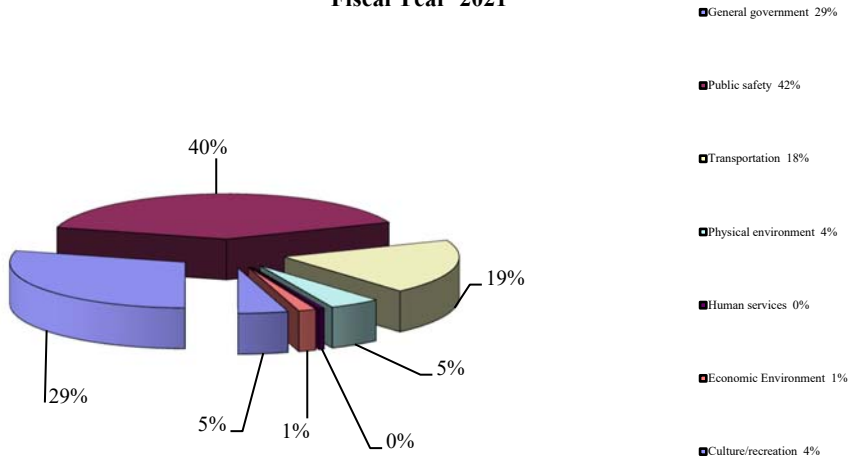
Governmental Activities (continued)

Expenditure Comparison by Source

Fiscal Year 2020



Fiscal Year 2021

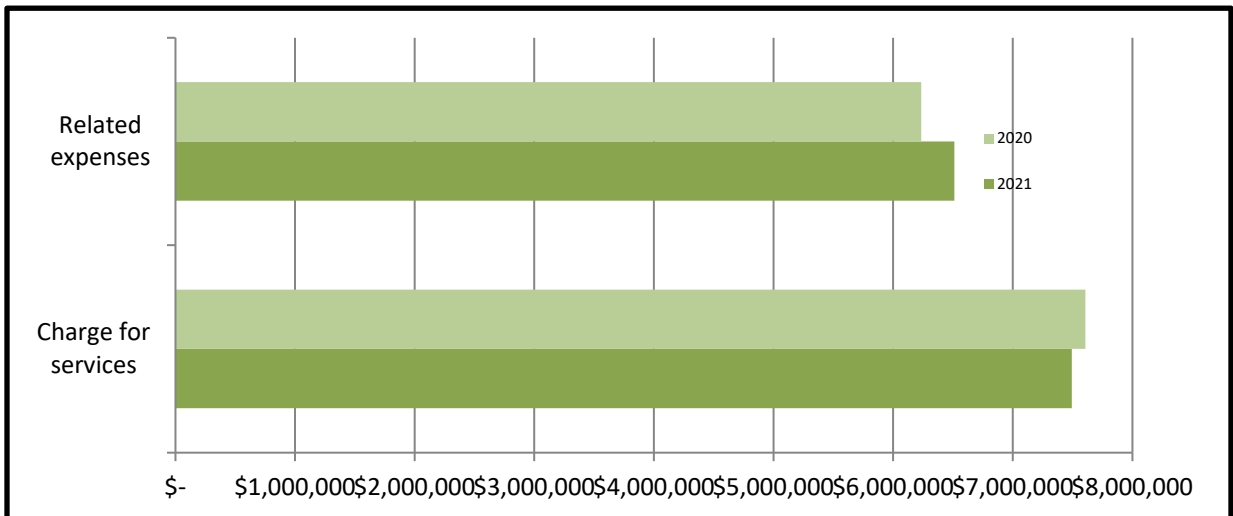


MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

Business-type Activities

Charges for services of 2021 of the City's business-type activities decreased 1.49% or (\$113,033) over fiscal year 2020 and operating expenses increased by 4.34 % or 270,362 from the prior year. The increase is a reflection of additional Contractual Services expenditures due to the settlement of a multi-year contract increase dispute. The following is a graphic comparison of revenue and expenses of the City's business type activities.

Revenue and Expense Comparison Fiscal Years 2021 and 2020



MANAGEMENT’S DISCUSSION AND ANALYSIS
(Continued)

Capital Assets

At the end of 2021 the City had \$65,915,948 invested in a broad range of capital assets, including land, police and public works equipment, buildings, park facilities, water and sewer facilities, sanitation equipment, gas improvements and equipment, and stormwater drainage structures. This is an overall net decrease of \$968,960 in capital assets which is reflected in a governmental activities increase of 359,793 or 2.76% and a decrease of (\$1,328,483) or (2.47)% for business-type activities. Although there were some Capital equipment purchases and street paving improvements, those additions were offset by depreciation reductions. The following table illustrates the changes in capital assets (see pages 44 and 45 in the notes to the financial statements for detailed changes in capital assets).

	Governmental Activities		Business-type Activities		Totals	
	2021	2020	2021	2020	2021	2020
Capital Assets:						
Land	\$ 1,823,159	\$ 1,823,159	\$ 1,602,184	\$ 1,602,184	\$ 3,425,343	\$ 3,425,343
Buildings and improvements	6,549,838	6,362,619	71,442,425	71,442,425	77,992,263	77,805,044
Machinery and equipment	4,547,945	4,525,753	2,161,673	1,966,628	6,709,618	6,492,381
Infrastructure	8,544,688	8,544,688	-	-	8,544,688	8,544,688
Construction work in progress	789,255	169,510	-	-	789,255	169,510
Subtotal	\$ 22,254,885	\$ 21,425,729	\$ 75,206,282	\$ 75,011,237	\$ 97,461,167	\$ 96,436,966
Less Accumulated Depreciation	(8,843,705)	(8,374,342)	(22,701,514)	(21,177,986)	(31,545,219)	(29,552,328)
Capital Assets, Net	\$ 13,411,180	\$ 13,051,387	\$ 52,504,768	\$ 53,833,251	\$ 65,915,948	\$ 66,884,638

The City’s capital budget for fiscal year 2022 calls for approximately \$7,756,816 in capital projects. This is partially comprised of \$1,860,000 for Street improvements, \$680,000 for Water line improvements, \$3,300,000 Sewer projects, \$1,200,000 for Stormwater improvements.

Debt

At September 30, 2021 the City had \$11,340,319 in notes payable. This is a decrease over fiscal year 2020 of (\$974,383). This balance represents the City’s participation in the State Revolving Loan Fund (SRLF) program, for required improvements at the Sewage Treatment Plant, Sanitary Sewer Rehab and Drinking Water Well field’s upgrade and Stormwater projects. This balance is detailed in Note 11 Long-term Debt on page 48.

	Business-type Activities	
	2021	2020
*Note Payable-DEP	\$ 11,340,319	\$ 12,338,858

* These obligations are considered to be Direct Borrowings under GASB 88

The State of Florida, by constitution, does not have a state personal income tax and therefore the State operates primarily using sales, gasoline and corporate income taxes. Local governments (cities, counties, and school boards) primarily rely on property taxes and a limited array of permitted other taxes (sales, gasoline, and utilities) and fees (franchise, occupational license) for their governmental activities. For the business-type and certain governmental activities (utility services, construction services and recreational programs) the user pays a related fee or charge associated with the service.

While the City of Live Oak continues to be challenged by ageing infrastructure, we strive to continue to make improvements as we are able. Housing and job creation remain a goal of the City. City and CRA efforts continue to make contributions to encourage growth. The City continues to explore the most viable alternatives for both grant opportunities and municipal debt to address slow growth and development, as well as how to capture any associated revenue opportunities. The City is continuing to work with the Federal Government, State of Florida, North Central

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

Florida Planning Council, Florida Department of Transportation, Suwannee County, Suwannee River Water Management District, City's consulting engineers, and private developers to address grant opportunities.

Public Works Department / Streets In 2021 the Florida Department of Transportation SCOP grant funded paving project of Winderweeple Street began. Drainage, utilities and roadway base work was completed by mid-summer. Weather delays postponed paving until after year end.

Fire Department The Fire Department continues to provide outstanding services and dedication to the citizens of Live Oak Fire Department. Highlights for 2021 include:

Awards and Recognition – The LOFD continues its tradition of excellence and service to the community while being recognized as an ISO Class III Fire Service, thus the only Class III fire department in Florida based upon population served. The LOFD continues to maintain Emergency Medical Technician certification of 100% of Fire Fighters employed while having recertify their state license every two years. LOFD continues to maintain the current ISO (International Organization for Standardization) rating of III through additional training curriculum, public education, outreach, equipment maintenance and inventory advancements. LOFD adheres to ISO recommended minimum staffing of 4 personnel on shift at all times thus continuing our mission to better our service to the citizens of Live Oak. The Insurance Service Office is an independent company that serves insurance companies, communities, fire departments, insurance regulators and others by providing information about risk. As the ISO rating for the City of Live Oak is Protection Class III, it places our fire department in the top 2 percent of the 49,010 fire services nationally. The City of Live Oak began with an ISO Protection Class of VIII in 1958, followed by a Protection Class VII in 1967, Protection Class VI in 1992, Protection Class V in 2004, Protection Class IV in 2007 and the current Protection Class of III in 2015.

The ISO's 26 pages analysis of the LOFD covers our emergency reporting, telecommunications, dispatch protocols, engine companies, reserve pumpers, pumping capacities, ladder /service companies, deployment protocols, company personnel, training, operational considerations, community risk reductions, water supply, hydrant size, type and installation, inspections of hydrant, pump testing, fit testing, aerial apparatus, ground ladder, and SCBA testing, pre-fire planning of commercial structures, fire prevention programs organized with the local schools and day cares and Life Safety inspections on licensed business operating inside the City of Live Oak. All testing/inspection requirements stated herein are conducted annually by the LOFD and verified by ISO every 5 years to maintain current and satisfactory reporting.

Community involvement – Over the past 5 years LOFD has taken part in the Vivid Visions charity softball tournament in an effort to raise awareness of the effects of domestic abuse and raise funds for the local shelter. Through the 2020 and 2021 year of COVID restrictions LOFD through implementation of additional safety precautions was able to continue its partnerships with local long term care agencies and educational facilities providing nurses, teachers and students with CPR certification training as well as fire education and extinguisher training. LOFD was able to continue training and teaching CPR reaching as many as 200 students from age 5 and up as well as teachers and professional medical personnel.

Also, even though the 2021 year had many restrictions, LOFD (Sparky's Kids) continued its tradition of more than 40 years, helping to provide toys to PAL (Police Athletic League), during the Christmas season and also provided gift cards/vouchers for food or basic necessities to those in need.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

Police Department The Live Oak Police Department continues to be one of the top-quality law enforcement agencies in the 3rd Circuit. Community Oriented Policing is still the main component of our agency to continue to try to build positive community relationships and be active in the community. The Live Oak Police Department takes a proactive approach in solving crimes and is involved in local organizations to network to ensure that the latest technology and other crime-solving tactics are at our disposal. The Live Oak Police Department continues to train using PoliceOne.com, to make sure that each officer is properly trained and the FDLE requirements are met for each individual officer. The L.O.P.D, continues to hold the teen academy, and other community events to give back and show support for our community.

Since 2018 the L.O.P.D has received 2 grants to enable traffic enforcement details without interrupting calls for service. The one objective is for occupant protection and the other grant is for aggressive driving and speed. The Live Oak Police Department has also implemented Project Lifesaver and was essential in passing of Leo's Law which was just recently enacted. This program allows for GPS tracking abilities to those with Autism and other developmental delays in the event of wandering. The L.O.P.D. has 15 GPS units assigned currently. To add to our Project Lifesaver program, the Live Oak Police Department was awarded a grant to purchase supplies that will allow us to operate PLS for years to come. Additionally, we were able to purchase gear such as a Polaris Ranger, thermal imaging as well as other equipment to aid us in searching for any potentially lost PLS participants. This grant has allowed us to be more prepared to handle any future tragedies such as Leo Walker.

In the fiscal year 2020-21 the department received Federal COVID emergency supplemental funding, traffic control systems were purchased to help assist in traffic coordination of food programs, covid testing and virus inoculations.

Community Projects Completed projects included the downtown parking lot rehabilitation, primarily funded with Community Redevelopment funds this project was completed with Suwannee County assisting with landscaping and electrical installation. The improvements to the County owned parking lot included improved electrical connections for community events, new lighting, and repaving. The CRA and Suwannee County also partnered in funding the construction of a public restroom at the Heritage Park and Gardens trail parking lot on Helvenston Street.

Future Projects

- Design plans are being drafted to repave Palm Avenue. The project will be funded by Infrastructure and Community Redevelopment funds.
- Economic growth is expected to continue at the 129N/I10 interchange, to accommodate this growth plans are being considered to expand lift station and sewer flow in that area. Additional property is a requirement for expansion.
- State of Florida Department of Transportation has awarded the City TAP (Transportation Alternative Funds) for Drainage Well replacement. Over \$2,000,000 is earmarked to be awarded over few years to enable the City to replace some of the 17 wells along the FDOT transportation corridor within the City of Live Oak. Following Tropical Storm Debby an extensive Storm Water Master Plan was formulated by SRWMD, City engineers, and the Army Corps of Engineers. The TAP grant was applied through the SRWMD and they will remain an involved partner in the project. A contract for the design build of two of the wells was awarded in 2021 and construction has begun for two of the drain wells.

MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

Requests for Information

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the City's finances. Questions concerning any of the information provided in this report or request for additional information should be addressed to the Finance Director, 101 SE White Ave., Live Oak, Florida 32064.



George D. Curtis, City Manager



Joanne M. Luther, Finance Director



CITY OF LIVE OAK, FLORIDA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2021

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and Cash Equivalents	\$ 9,918,033	\$ 1,807,175	\$ 11,725,208
Receivables, Net of Allowance for Uncollectible Accounts	193,680	831,894	1,025,574
Due from Other Governments	826,661	92,114	918,775
Prepaid Items	84,212	25,594	109,806
Noncurrent Restricted Cash	-	1,492,828	1,492,828
Capital Assets:			
Land, Improvements, and Construction in Progress	2,612,414	1,602,184	4,214,598
Other Capital Assets, Net of Depreciation	10,798,766	50,902,584	61,701,350
Total Assets	24,433,766	\$ 56,754,373	81,188,139
Total Deferred Outflows of Resources	1,271,993	34,823	1,306,816
Liabilities			
Accounts Payable and Other Accrued Liabilities	376,094	228,965	605,059
Unearned Revenue	115,714	-	115,714
Restricted Fund Liabilities:			
Customer Deposits	-	643,542	643,542
Bonds, Notes, and Other Payables:			
Accrued Interest Payable	-	45,331	45,331
Due or payable Within One Year	-	801,127	801,127
Due or Payable in More Than One Year	-	10,539,192	10,539,192
Compensated Absences	202,989	-	202,989
Net Pension Liability	1,941,039	53,330	1,994,369
OPEB Liability	405,040	25,561	430,601
Total Liabilities	3,040,876	12,337,048	15,377,924
Total Deferred Inflows of Resources	3,717,772	100,746	3,818,518
Net Position			
Net Investment in Capital Assets	13,411,180	41,164,449	54,575,629
Restricted for:			
Law Enforcement	7,674	-	7,674
Recreation	335,000	-	335,000
Community Redevelopment	1,122,704	-	1,122,704
Capital Improvements	4,773,910	641,878	5,415,788
Road Improvements	867,484	-	867,484
Debt Service	-	207,410	207,410
Unrestricted	(1,570,841)	2,337,665	766,824
Total Net Position	18,947,111	44,351,402	63,298,513

The notes to the financial statements are an integral part of this statement.

CITY OF LIVE OAK, FLORIDA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Program Revenue			Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Government Activities							
General Government	\$ 1,822,964	\$ 135,986	\$ 8,582	\$ 50,000	\$ (1,628,396)	\$ -	\$ (1,628,396)
Public Safety	2,493,116	178,469	53,153	113,335	(2,148,159)	-	(2,148,159)
Transportation	1,221,999	172,164	-	603,332	(446,503)	-	(446,503)
Physical Environment	296,347	-	-	-	(296,347)	-	(296,347)
Human Services/Health	29,750	-	-	-	(29,750)	-	(29,750)
Economic Environment	103,101	-	4,364	-	(98,737)	-	(98,737)
Culture/Recreation	289,223	-	225,000	110,000	45,777	-	45,777
Activities	\$ 6,256,500	\$ 486,619	\$ 291,099	\$ 876,667	(4,602,115)	-	(4,602,115)
Business-type Activities							
Water and Sewer Utility	4,673,795	5,143,406	-	43,696	-	513,307	513,307
Stormwater	133,902	119,654	-	-	-	(14,248)	(14,248)
Gas Utility	761,251	942,170	-	-	-	180,919	180,919
Sanitation	936,070	1,288,980	-	-	-	352,910	352,910
Total Business-type	\$ 6,505,018	\$ 7,494,210	\$ -	\$ 43,696	-	1,032,888	1,032,888
Total Governmental and Business-type Activities	\$ 12,761,518	\$ 7,980,829	\$ 291,099	\$ 920,363	(4,602,115)	1,032,888	(3,569,227)
General Revenues and Transfers							
Property Taxes, Levied for General Purposes					2,198,761	-	2,198,761
Property Taxes, Levied for Tax Increment District					252,660	-	252,660
Fire Assessment Fee					379,604	-	379,604
Sales Taxes					1,208,819	-	1,208,819
Local Option Gas Tax					445,832	-	445,832
Franchise Taxes					742,724	-	742,724
Utility Taxes					657,874	226,393	884,267
State Revenue Sharing					253,352	-	253,352
Other Intergovernmental Revenues					94,166	-	94,166
Investment Earnings					16,540	3,531	20,071
Gain on Disposal of Fixed Assets					5,181	19,659	24,840
Rental Space					55,145	-	55,145
Miscellaneous Revenue					53,549	(3,341)	50,208
Transfers					1,517,178	(1,517,178)	-
Total General Revenues and Transfers					7,881,385	(1,270,936)	6,610,449
Changes in Net Position					3,279,270	(238,048)	3,041,222
Net Position, Beginning of Year					15,667,841	44,589,450	60,257,291
Net Position, Ending of Year					\$ 18,947,111	\$ 44,351,402	\$ 63,298,513

The notes to the financial statements are an integral part of this statement.

**CITY OF LIVE OAK, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2021**

	<u>General</u>	<u>Capital Projects</u>	<u>Community Redevelop- ment Tax Fund</u>	<u>Non-major Funds</u>	<u>Total</u>
Assets					
Cash and Cash Equivalents	\$ 2,927,494	\$ 5,501,185	\$ 1,141,319	\$ 348,035	\$ 9,918,033
Accounts Receivable, Net	188,872	-	4,808	-	193,680
Due from Other Funds/Internal					
Balance	100,814	-	10,652	-	111,466
Due from Other Governments	585,638	140,209	-	100,814	826,661
Prepaid Items	81,227	-	2,985	-	84,212
Total Assets	<u>\$ 3,884,045</u>	<u>\$ 5,641,394</u>	<u>\$ 1,159,764</u>	<u>\$ 448,849</u>	<u>\$ 11,134,052</u>
Liabilities					
Accounts Payable and Other					
Current Liabilities	\$ 336,658	\$ -	\$ 34,075	\$ 5,361	\$ 376,094
Due to Other Funds/Internal					
Balance	10,652	-	-	100,814	111,466
Unearned Revenue	115,714	-	-	-	115,714
Total Liabilities	<u>463,024</u>	<u>-</u>	<u>34,075</u>	<u>106,175</u>	<u>603,274</u>
Fund Balances					
Nonspendable:					
Prepaid Items	81,227	-	2,985	-	84,212
Restricted for:					
Law Enforcement	-	-	-	7,674	7,674
Community Redevelopment	-	-	1,122,704	-	1,122,704
Capital Improvements	-	4,773,910	-	-	4,773,910
Recreation	-	-	-	335,000	335,000
Road Improvements	-	867,484	-	-	867,484
Committed:					
Annual Leave Reserve	45,284	-	-	-	45,284
Unassigned, Reported in:					
General fund	3,294,510	-	-	-	3,294,510
Total Fund Balances	<u>3,421,021</u>	<u>5,641,394</u>	<u>1,125,689</u>	<u>342,674</u>	<u>10,530,778</u>
Total Liabilities and Fund Balances	<u>\$ 3,884,045</u>	<u>\$ 5,641,394</u>	<u>\$ 1,159,764</u>	<u>\$ 448,849</u>	<u>\$ 11,134,052</u>

The notes to the financial statements are an integral part of this statement.

CITY OF LIVE OAK, FLORIDA
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2021

Total Fund Balances of Governmental Funds	\$ 10,530,778
 Accounts 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.	13,411,180
Deferred outflows and inflows of resources used in governmental activities are not financial resources and, therefore, are not reported in the funds.	
Deferred Outflows of Resources	1,271,993
Deferred Inflows of Resources	(3,717,772)
Net pension liability does not require the use of current financial resources and, therefore, is not reported as a liability in governmental funds.	(1,941,039)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds. These liabilities and other bond related deferred charges consist of:	
Compensated Absences	(202,989)
Other Post Employment Benefit Liability	(405,040)
Net Position of Governmental Activities	\$ 18,947,111

The notes to the financial statements are an integral part of this statement.

CITY OF LIVE OAK, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	General	Capital Projects Funds	Community Redevelopment Tax	Nonmajor Funds	Total
Revenues					
Taxes	\$ 3,957,774	\$ 1,270,124	\$ 252,660	\$ -	\$ 5,480,558
Licenses and Permits	276,317	-	-	-	276,317
Intergovernmental	1,419,512	-	-	166,489	1,586,001
Charges for Services	192,720	-	-	-	192,720
Fines and Forfeitures	13,756	-	-	3,826	17,582
Tower Rental	55,145	-	-	-	55,145
Interest	5,239	9,156	2,145	-	16,540
Donations	-	-	-	335,000	335,000
Miscellaneous	58,729	-	-	-	58,729
Total Revenue	5,979,192	1,279,280	254,805	505,315	8,018,592
Expenditures					
General Government	1,785,430	-	285,597	-	2,071,027
Public Safety	2,906,471	-	-	166,489	3,072,960
Transportation	1,618,352	-	3,350	-	1,621,702
Physical Environment	145,010	-	-	-	145,010
Human Services	29,750	-	-	-	29,750
Economic Environment	-	-	103,101	-	103,101
Culture/Recreation	220,391	-	68,832	-	289,223
Total Expenditures	6,705,404	-	460,880	166,489	7,332,773
(Deficiency) Excess of Revenue (Under) Over Expenditures	(726,212)	1,279,280	(206,075)	338,826	685,819
Other Financing Sources (Uses):					
Transfers in	1,905,548	-	259,738	-	2,165,286
Transfers out	(259,738)	(388,370)	-	-	(648,108)
Total Other Financing Sources (Uses)	1,645,810	(388,370)	259,738	-	1,517,178
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)	919,598	890,910	53,663	338,826	2,202,997
Fund Balances, Beginning of Year	2,501,423	4,750,484	1,072,026	3,848	8,327,781
Fund Balances, End of Year	\$3,421,021	\$ 5,641,394	\$ 1,125,689	\$ 342,674	\$ 10,530,778

The notes to the financial statements are an integral part of this statement.

CITY OF LIVE OAK, FLORIDA
RECONCILIATION OF THE STATEMENT OF REVENUE, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO
THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2021

Net Change in Fund Balances - Total Governmental Funds \$ 2,202,997

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is depreciated over their estimated useful lives. This is the amount by which capital outlays exceeded depreciation expenses for the current period:

Capital Outlay Expenditures	\$ 1,137,890	
Capital Asset Disposals and Transfers	(41,664)	
Depreciation Expense	<u>(736,433)</u>	359,793

The changes in net pension liability and pension related deferred outflows and inflows result in an adjustment to pension expense in the statement of activities, but not in the governmental fund statements 671,045

Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the statement of activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. This adjustment is for the following items:

Change in Compensated Absences Liabilities		16,811
Change in OPEB Liability		<u>28,624</u>

Change in Net Position of Governmental Activities \$ 3,279,270

The notes to the financial statements are an integral part of this statement.

CITY OF LIVE OAK, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2021

	Business-Type Activities-Enterprise Funds				Total
	Water and Sewer Fund	Stormwater Fund	Gas Fund	Sanitation Fund	
Assets					
Current Assets:					
Cash and Cash Equivalents	\$ 1,260,967	\$ 70,508	\$ 43,019	\$ 432,681	\$ 1,807,175
Accounts Receivables, Net	552,102	10,264	125,268	144,260	831,894
Due from Other Governments	92,114	-	-	-	92,114
Other Current Assets	22,000	-	3,594	-	25,594
Total Current Assets	1,927,183	80,772	171,881	576,941	2,756,777
Property and Equipment					
Land	1,578,657	22,927	600	-	1,602,184
Building and Improvements	68,423,304	1,570,914	1,448,207	-	71,442,425
Machinery and Equipment	1,071,011	88,348	286,736	715,578	2,161,673
Total Property and Equipment	71,072,972	1,682,189	1,735,543	715,578	75,206,282
Less Accumulated Depreciation	(20,872,553)	(676,332)	(855,008)	(297,621)	(22,701,514)
Net Property and Equipment	50,200,419	1,005,857	880,535	417,957	52,504,768
Noncurrent Restricted Cash	1,105,761	19,103	149,572	218,392	1,492,828
Total Assets	53,233,363	1,105,732	1,201,988	1,213,290	56,754,373
Total Deferred Outflows of Resources	-	-	-	34,823	34,823
Liabilities					
Current Liabilities:					
Accounts Payable	138,056	3,585	57,408	29,916	228,965
Accrued Interest Payable	42,118	3,213	-	-	45,331
Current Portion of Notes Payable	766,251	34,876	-	-	801,127
Total Current Liabilities	946,425	41,674	57,408	29,916	1,075,423
Deposits	365,979	-	149,572	127,991	643,542
OPEB Liability				25,561	25,561
Notes Payable	10,233,083	306,109	-	-	10,539,192
Net Pension Liability	-	-	-	53,330	53,330
Total Liabilities	11,545,487	347,783	206,980	236,798	12,337,048
Total Deferred Inflows of Resources	-	-	-	100,746	100,746
Net Position					
Net Investment in Capital Assets	39,201,086	664,871	880,535	417,957	41,164,449
Restricted for Capital Replacement	551,476	-	-	90,402	641,878
Restricted for Debt Service	188,307	19,103	-	-	207,410
Unrestricted	1,747,007	73,975	114,473	402,210	2,337,665
Total Net Position	\$ 41,687,876	\$ 757,949	\$ 995,008	\$ 910,569	\$ 44,351,402

The notes to the financial statements are an integral part of this statement.

CITY OF LIVE OAK, FLORIDA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Business-type Activities-Enterprise Funds				Total
	Water and Sewer Fund	Stormwater Fund	Gas Fund	Sanitation Fund	
Operating Revenues					
Charges for Services	\$ 5,143,406	\$ 119,654	\$ 942,170	\$ 1,288,980	7,494,210
Operating Expenses					
Personnel Services	-	-	-	395,251	395,251
Cost of Sales	-	-	425,161	311,773	736,934
Materials and Supplies	227,929	4,981	22,480	69,233	324,623
Utilities	325,825	-	3,010	5	328,840
Taxes	-	-	15,894	-	15,894
Maintenance and Repairs	236,157	260	2,812	38,906	278,135
Depreciation	1,461,869	71,958	46,926	51,145	1,631,898
Insurance	87,467	1,973	2,731	16,699	108,870
Contractual Services	2,107,419	47,545	242,237	53,058	2,450,259
Total Operating Expenses	4,446,666	126,717	761,251	936,070	6,270,704
Operating Income (Loss)	696,740	(7,063)	180,919	352,910	1,223,506
Nonoperating Revenues (Expenses)					
Interest Earnings	2,737	30	81	683	3,531
Utility Tax	226,393	-	-	-	226,393
Gain (Loss) on Disposal of Fixed Assets	-	-	(720)	20,379	19,659
Interest Expense	(227,129)	(7,185)	-	-	(234,314)
Other Revenues (Expenses)	(3,701)	-	360	-	(3,341)
Total Nonoperating Income (Expenses)	(1,700)	(7,155)	(279)	21,062	11,928
Income Before Other Revenues, Expenses, Gains, and, Transfers	695,040	(14,218)	180,640	373,972	1,235,434
Capital Contributions (Grants) and Transfers					
FEMA/SERT Contributions	43,696	-	-	-	43,696
Transfers out	(1,043,832)	(15,500)	(187,846)	(270,000)	(1,517,178)
Total Capital Contributions(Grants) and Transfers	(1,000,136)	(15,500)	(187,846)	(270,000)	(1,473,482)
Increase (Decrease) in Net Position	(305,096)	(29,718)	(7,206)	103,972	(238,048)
Net Position, Beginning of Year	41,992,972	787,667	1,002,214	806,597	44,589,450
Net Position, End of Year	\$ 41,687,876	\$ 757,949	\$ 995,008	\$ 910,569	\$ 44,351,402

The notes to the financial statements are an integral part of this statement.

CITY OF LIVE OAK, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Business-type Activities-Enterprise Funds				Total
	Water and Sewer Fund	Stormwater Fund	Gas Fund	Sanitation Fund	
Cash Flows From Operating Activities					
Cash Received from Customers	\$ 5,124,561	\$ 117,072	\$ 950,822	\$ 1,293,933	\$ 7,486,388
Cash Paid to Suppliers	(2,912,689)	(51,496)	(715,304)	(484,440)	(4,163,929)
Cash Payments to Employees for Services	-	-	-	(250,437)	(250,437)
Net Cash Provided by Operating Activities	<u>2,211,872</u>	<u>65,576</u>	<u>235,518</u>	<u>559,056</u>	<u>3,072,022</u>
Cash Flows From Noncapital and Related Financing Activities					
Utility Taxes	226,393	-	-	-	226,393
Due from Other Funds	102,179	744	(2,839)	2,147	102,231
Miscellaneous	(3,701)	-	360	-	(3,341)
Intergovernmental Revenue	-	-	-	-	-
Operating Transfers Out	(1,043,832)	(15,500)	(187,846)	(270,000)	(1,517,178)
Net Cash (Used for) Noncapital and Related Financing Activities	<u>(718,961)</u>	<u>(14,756)</u>	<u>(190,325)</u>	<u>(267,853)</u>	<u>(1,191,895)</u>
Cash Flows From Capital and Related Financing Activities					
Acquisition and Construction of Capital Assets	(88,376)	(1)	(4,407)	(190,973)	(283,757)
Principal Paid on Capital Debt	(964,366)	(34,173)	-	-	(998,539)
Interest Paid on Capital Debt	(227,129)	(7,185)	-	-	(234,314)
Capital Grants and Contributions	43,696	-	-	-	43,696
Net Cash (Used In) Capital and Related Financing Activities	<u>(1,236,175)</u>	<u>(41,359)</u>	<u>(4,407)</u>	<u>(190,973)</u>	<u>(1,472,914)</u>
Cash Flows From Investing Activities					
Interest Received	2,737	30	81	683	3,531
Net Cash Provided By for Investing Activities	<u>2,737</u>	<u>30</u>	<u>81</u>	<u>683</u>	<u>3,531</u>
Net Increase in Cash and Cash Equivalents	259,473	9,491	40,867	100,913	410,744
Cash and Cash Equivalents, Beginning of Year	<u>2,107,255</u>	<u>80,120</u>	<u>151,724</u>	<u>550,160</u>	<u>2,889,259</u>
Cash and Cash Equivalents, End of Year	<u>\$ 2,366,728</u>	<u>\$ 89,611</u>	<u>\$ 192,591</u>	<u>\$ 651,073</u>	<u>\$ 3,300,003</u>

The notes to the financial statements are an integral part of this statement.

CITY OF LIVE OAK, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021
(Concluded)

	Business-type Activities - Enterprise Funds				
	Water and Sewer Fund	Stormwater Fund	Gas Fund	Sanitation Fund	Total
<u>Reconciliation of Operating Income to Net Cash Provided by Operating Activities:</u>					
Operating Income (Loss)	\$ 696,740	\$ (7,063)	\$ 180,919	\$ 352,910	\$ 1,223,506
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:					
Depreciation	1,461,869	71,958	46,926	51,145	1,631,898
Decrease (Increase) in Assets:					
Accounts Receivable	(48,610)	(2,582)	6,729	(192)	(44,655)
Prepaid	(22,000)	-	-	-	(22,000)
Due from Other Governmental Units	19,273	-	-	-	19,273
Increase (Decrease) in Liabilities:					
Accounts Payable	94,108	3,263	(979)	5,234	101,626
Customer Deposits	10,492	-	1,923	5,145	17,560
Other Postemployment Benefits and Related Deferred InFlows and Outflows	-	-	-	25,561	25,561
Net Pension Liability and Pension Related Deferred Inflows and Outflows	-	-	-	119,253	119,253
Net Cash Provided by Operating Activities	\$ 2,211,872	\$ 65,576	\$ 235,518	\$ 559,056	\$ 3,072,022

The notes to the financial statements are an integral part of this statement.

CITY OF LIVE OAK, FLORIDA
STATEMENT OF FIDUCIARY NET POSITION - FIDUCIARY FUND
SEPTEMBER 30, 2021

Assets:		
Accrued interest	\$	2,512
Other Receivable		1,431
		<u>3,943</u>
Investments, at fair value		
Money Market funds		29,975
U.S. Treasury notes/Gov't bonds		334,197
Corporate bonds		254,721
Common stocks and equity securities		1,187,933
Total investments		<u>1,806,826</u>
Total Assets		<u>1,810,769</u>
Liabilities:		
Accounts Payable		<u>145</u>
Net Position		
Net Position Restricted for Pensions		<u><u>\$ 1,810,624</u></u>

The notes to the financial statements are an integral part of this statement.

CITY OF LIVE OAK, FLORIDA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION - FIDUCIARY FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2021

Additions:	
Contributions from:	
City	\$ 60,869
Total contributions	<u>60,869</u>
Investment income:	
Net increase (decrease) in fair value of investments	126,136
Interest and Dividend earnings	211,093
Less Investment Expense	<u>(16,236)</u>
Total investment income	<u>320,993</u>
Total additions	<u>381,862</u>
Deductions:	
Benefit payments	176,284
Administrative expenses	<u>14,579</u>
Total deductions	<u>190,863</u>
Net increase (decrease)	190,999
Net Position, Beginning of Year	<u>1,619,625</u>
Net Position, End of year	<u>\$ 1,810,624</u>

The notes to the financial statements are an integral part of this statement.



NOTES TO THE FINANCIAL STATEMENTS

CITY OF LIVE OAK, FLORIDA
Notes to the financial statements
September 30, 2021

Note 1 – Summary of Significant Accounting Policies

The financial statements of the City of Live Oak, Florida, have been prepared in conformance with accounting principles generally accepted in the United State of America as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted body for promulgating governmental accounting and financial reporting principles. The following is a summary of the City’s significant accounting policies:

A. Reporting Entity

The City of Live Oak, Florida is a political subdivision of the State of Florida created by Charter appearing as Chapter 213.61, Page 1008, Laws of Florida, 1941, which became law on June 16, 1941 and, accordingly, is subject to restrictions imposed by the Florida Constitution and Statutes as well as by its own ordinances. The legislative branch of the City is composed of an elected five-member Council. The City Council is governed by the City Charter and by state and local laws and regulations. The City Council is responsible for the establishment and adoption of policy. The execution of such policy is the responsibility of the Council-appointed City Manager. Additionally, the elected Mayor serves in an oversight function.

The accompanying financial statements present the financial position, results of operations and cash flows of the applicable funds controlled by or dependent on the City. In evaluating the City as a reporting entity, management has addressed all potential component units for which the entity may or may not be financially accountable and as such, be included within the City’s financial statements. Criteria used to define the City of Live Oak reporting entity included: (1) a measurement of the degree to which the City exercised oversight responsibility over potential component units of the City, (2) a consideration of the scope of public service of the potential component units, and (3) a consideration of the existence of special financing relationships. The application of these criteria to potential component units indicated that the City of Live Oak reporting entity consists of those functions and activities administered directly by the Mayor and Council. The City has one blended component unit, the Community Redevelopment Agency (CRA). The CRA was created in 1995 pursuant to Chapter 163, Florida Statutes and City Ordinance No.861. the CRA is being treated as a blended component unit and included as part of the primary government for financial reporting purposes because five of the seven-member governing body of the CRA are also City Councilmembers. The other two members are appointed by the City Council. In addition, a financial benefit or burden relationship exists between the City and the CRA. The CRA is presented in the financial statements of the City as a special revenue fund. The CRA does not issue a separate set of financial statements. The Live Oak Suwannee County Recreation Department and the Live Oak Housing Authority are not included in the accompanying financial statements.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements, comprised of the Statement of Net Position and the Statement of Activities, report aggregated information for the overall government for all of the activates of the primary government. Imposed nonexchange resources (property taxes, fines) are reported as deferred inflows if received before the tax is levied or before the date when use is first permitted. Government mandated nonexchange transactions (grants) and voluntary nonexchange transactions (donations) resources are reported as liabilities until the eligible requirements are met and as deferred inflow if received before time requirements are met. The primary government is reported in two columns to separately report governmental activities from business-type activities. These statements do not report fiduciary funds or fiduciary component units such as retirement trust funds. Those activities are reported only in fund financial statements. The effect of interfund activity has been removed from these statements as is further disclosed below under the heading *Interfund Balances and Transfers*.

CITY OF LIVE OAK, FLORIDA
Notes to the financial statements
September 30, 2021

Note 1 – Summary of Significant Accounting Policies – continued

B. Government-Wide and Fund Financial Statements– continued

Governmental activities, which normally are supported by taxes, intergovernmental revenues, and other non-exchange revenues, are reported separately from business-type activities, which are financed wholly or partially by fees charged to external parties for goods or services and are reported in enterprise funds.

The Statement of Net Position presents the overall government’s financial position at year-end. The Statement of Activities presents direct expenses of a given function or segment offset by program revenues for the fiscal reporting period. The resulting net expense or revenue is then totaled and offset by general revenues producing the aggregate change in net assets for the period. Program revenues include (1) charges to customers who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment of the government, and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other non-exchange revenues not properly included among program revenues are reported as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual business-type funds are reported in separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or as soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. The City does not use an encumbrance system.

Taxes, intergovernmental revenue, licenses and permits, charges for services, and interest associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

Revenues, expenses, gains, losses, assets, and liabilities resulting from non-exchange transactions are recognized in accordance with the requirements of Governmental Accounting Standards Board Statement No. 33, *Accounting and Financial Reporting for Non-exchange Transactions*. Non-exchange transactions are grouped into four classes, based on their principal characteristics. The accounting treatment for each type of transaction is as follows:

CITY OF LIVE OAK, FLORIDA
Notes to the financial statements
September 30, 2021

Note 1 – Summary of Significant Accounting Policies – continued

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation – continued

Derived Tax Revenue, defined as assessments imposed on exchange transactions. Examples include: sales taxes, franchise tax, utility taxes, etc. Assets from derived tax revenue are recognized in the period when the exchange transaction on which the tax is imposed or when resources are received, whichever occurs first. Revenues are recognized, net of estimated uncollectible amounts, in the same period that the assets are recognized. Resources received in advance are recorded as deferred revenue until the period of the exchange.

Imposed Non-exchange Revenue results from assessments on non-governmental entities, other than assessments on exchange transactions. Examples include: ad valorem (property) taxes, fines and penalties, and property forfeitures. Assets from imposed non-exchanged revenues are recognized in the period when an enforceable legal claim to the assets arises or when the resources are received, whichever occurs first. Property taxes are recognized in the period for which the taxes are levied. All other imposed non-exchange revenues are recognized in the same period that the assets are recognized.

Government-mandated Non-exchange Transactions frequently establish eligibility requirements before a transaction can occur. Examples include federal awards and state financial assistance. Until the requirements are met, the recipient does not have a receivable and the recognition of revenue received in advance is deferred. The providers (usually federal, state, and county governments) often offer resources on a reimbursement (“expenditure-driven”) basis at the time the recipient has incurred allowable costs under the applicable program.

Voluntary Non-exchange Transactions result from legislative or contractual agreements other than exchanges, entered into willingly by two or more parties. Examples include certain grants, entitlements, and donations by non-governmental entities. Principal characteristics of these types of transactions are (1) they are not imposed on the provider or recipient, and (2) fulfillment of eligibility requirements is essential for a transaction to occur. Assets and revenues are recognized when all applicable eligibility requirements, including time requirements, are met. Resources received in advance are reported as unearned revenue.

Proprietary fund and pension trust fund financial statements are reported using the accrual basis of accounting. Under this method, revenue is recorded when earned and expenses are recorded at the time liabilities are incurred.

The City’s accounts are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures, or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The focus of the governmental and proprietary fund financial statements is on major funds, as defined and determined based on criteria established under Governmental Accounting Standards Board Statement No. 34.

The City reports the following major governmental funds:

General Fund – The General Fund is the principal fund of the City which accounts for all financial transactions not accounted for in other funds. The majority of current operating expenditures of the City other than proprietary fund activities are financed through revenues received by the General Fund.

Capital Projects Funds – Capital projects funds are used to account for the financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary and trust funds).

CITY OF LIVE OAK, FLORIDA
Notes to the financial statements
September 30, 2021

Note 1 – Summary of Significant Accounting Policies – continued

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation – continued

Community Redevelopment Agency – Tax Increment funds are used for specific redevelopment purposes within the targeted area by the Community Redevelopment Agency. The Agency is responsible for developing and implementing the Community Redevelopment Plan that addresses the unique needs of the targeted area.

The City reports the following major proprietary funds:

Water and Sewer Utility Fund – The Water and Sewer Utility Fund accounts for the costs and recovery of costs, in the form of use charges, related to the City’s water and wastewater systems.

Stormwater Utility Fund – The Stormwater Utility Fund accounts for the costs and recovery of costs, in the form of user charges, associated with the City’s stormwater system.

Gas Utility Fund – The Gas Utility Fund accounts for the costs and recovery of costs, in the form of user charges, associated with the City’s natural gas system.

Sanitation Fund – The Sanitation Fund provides the community with refuse services, the costs of which are recovered by user charges.

Additionally, the City reports the following fund types:

Special Revenue Funds – These funds are used to account for the proceeds of specific revenue sources (other than special assessments, or capital projects) which are legally restricted to finance particular functions or activities of the City. These funds include the Local Government Fund, Special Projects Fund, Victim’s Advocate Fund, Public Safety Fund, the CDBG/General Projects Fund, and the State Grant Fund.

Pension Trust Fund – Pension trust funds are accounted for by the City to provide data on the accumulation of financial resources to pay pension benefits to qualified participants in the City’s Firefighter’s Substitute Pension Trust Fund.

Amounts reported in the funds as interfund receivables and payables have been eliminated in the governmental and business-type activities columns, except for the net residual amounts due between governmental and business-type activities, which are presented as internal balances due to and due from these different types of activities within the primary government.

The City reports as program revenues: (1) charges to customers or applicants for goods, services, or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expense from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the proprietary fund’s principal ongoing activities. For the City, operating revenues come from user and collection fees for water, wastewater, stormwater, gas and sanitation services, which are the principal ongoing operations of the City’s Water and Sewer Fund, Stormwater Fund, Gas Fund and Sanitation Fund, respectively. Operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the City’s policy to use restricted resources first, and then unrestricted resources as they are needed.

CITY OF LIVE OAK, FLORIDA
Notes to the financial statements
September 30, 2021

Note 1 – Summary of Significant Accounting Policies – continued

D. Assets, Liabilities, Deferred Outflows, Inflows, and Net Position

Deposits and Investments - The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

The City's investment policies are governed by state statutes and local resolution. These policies authorize the City to invest in bonds, notes, certificates of indebtedness, treasury bills, or other securities which are guaranteed by the full faith and credit of the United States of America, interest bearing savings accounts, interest bearing certificates of deposit and interest-bearing time deposits.

All of the City's investments are reported at fair value. All fiduciary (fire pension) fund investments are stated at fair value.

Receivables and payable - Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds". Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

All trade and property tax receivables are reported net of an allowance for uncollectible accounts, which is based upon management's analysis of historical trends. Utility operating sales are generally recognized on the basis of cycle billings rendered quarterly. Unbilled accounts receivable is accrued by the City at September 30th, to recognize the sales revenues earned between the last meter reading date made in mid-September through the end of the fiscal year.

Inventories and Prepaid Items

It is the policy of the City to record the acquisition of supplies as expenditures at the time of purchase. The number of supplies on hand at any one time would be a nominal amount and are considered to be immaterial.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

Restricted Assets

Certain proceeds of the City's revenue note obligations, as well as certain resources set aside for their repayment, are classified as restricted assets in the government-wide financial statements because their use is limited by applicable legal indentures imposed by applicable bond covenants and other legal indentures. The restricted assets are used to report resources set aside to 1) provide a reserve for debt service, 2) provide a reserve for maintenance and replacement costs, 3) acquire capital assets, and 4) limitations placed on customers' depository accounts.

Capital Assets

The capital assets include property, plant, equipment and infrastructure assets. The terms general capital assets and general infrastructure assets relate only to the assets associated with governmental activities, whereas the terms capital assets and infrastructure assets relate to all such assets belonging to the City. To ease implementation efforts, GASB Statement No. 34 provided the City with an extended transition period for reporting existing general infrastructure assets. Accordingly, the City is only reporting general infrastructure assets and related depreciation expense on these assets, for those assets acquired in the year of implementation of the pronouncement in the entity-wide statement of net assets and statement of activities.

CITY OF LIVE OAK, FLORIDA
Notes to the financial statements
September 30, 2021

Note 1 – Summary of Significant Accounting Policies – continued

D. Assets, Liabilities, Deferred Outflows, Inflows, and Net Position – continued

Capital assets are defined by the City as assets with an initial individual cost of \$1,000 or more and an estimated useful life of more than one-year. The capitalization policy for building and improvements other than buildings, requires assets with an initial cost to be \$1,000 or greater before it is capitalized. All infrastructure assets costs must also exceed \$1,000 or more before the assets are capitalized. Such assets are recorded at historical cost or estimated historical cost, if purchased or constructed. Contributed assets are recorded at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are only capitalized if they meet the dollar threshold above for capitalization.

Proprietary fund capital assets that are constructed include construction period interest that is capitalized net of interest earned on unexpended construction funds, and therefore, depreciated over the remaining useful life of the related asset.

Maintenance and repairs of property and replacements and renewals of items determined to be less than a unit of property, are charged to operating expenses.

Depreciation is reported for the primary government using the straight-line method (half-year convention in year of acquisition) calculated on a service-life basis to amortize the cost of the asset over their estimated economic useful lives, which are as follows:

Assets	Years
Buildings	50 years
Improvements other than buildings	10 - 50 years
Equipment	10 - 25 years
Computers and firearms	5 years
Infrastructure	10 - 25 years

Deferred outflows and Inflows of resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expenditure) until then. In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents and acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

Compensated Absences

The portion of employee’s payroll costs paid subsequent to year-end, are attributable to services performed prior to year-end. Accumulated unpaid vacation, sick-leave, and personal leave is recorded and recognized as a current liability. The remainder of the liability for compensated absences payable beyond the current period is recorded as a long-term liability. In fiscal year 2010-2011, the City modified the compensated absences program. The program is now referred to as Paid Time Off (PTO). This change was made to limit the liability to the City. There is no distinction between sick and vacation leave, but the maximum accrual to be paid upon leaving the Cities employ has been reduced to no more than 1 year’s total accrual. All time accumulated under the Sick and Vacation time will be paid out when the employee terminates employment with the City. Regular full-time City employees receive personal leave days to provide for all forms of leave as follows:

CITY OF LIVE OAK, FLORIDA
Notes to the financial statements
September 30, 2021

Note 1 – Summary of Significant Accounting Policies – continued

D. Assets, Liabilities, Deferred Outflows, Inflows, and Net Position – continued

Compensated Absences- continued

	<u>Annual Accrual Days</u>
Completion of 1 to 2 years of service	17
Completion of 3 to 9 years of service	22
Completion of 10 to 19 years of service	27
Completion of 20 to 29 years of service	32
Completion of 30 years of service	36

Unearned Revenue

Unearned revenues are reported when potential revenue does not meet both the “measurable” and “available” criteria for recognition in the current period. Unearned revenues also arise when resources are received by the City before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the City has a legal claim to the resources, the liability for unearned revenue is removed and revenue is recognized.

Long-term Debt Obligations

In the government-wide financial statements and proprietary fund financial statements, long-term debt obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

In the fund financial statements, governmental fund types recognize bond issuance costs during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Categories and Classification of Fund Balance:

This statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Fund balance classifications, under GASB 54, are Nonspendable, Restricted, Committed, Assigned, and Unassigned. These classifications reflect not only the nature of funds, but also provide clarity to the level of restriction placed upon fund balance. Fund Balance can have different levels of restraint, such as external versus internal compliance requirements. Unassigned fund balance is a residual classification within the General Fund. The General Fund should be the only fund that reports a positive unassigned balance. In all other funds, unassigned is limited to negative residual fund balance.

Use of Estimates

Management uses estimates and assumptions in preparing financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenue and expenses. Actual results could vary from the estimates assumed in preparing the financial statements.

CITY OF LIVE OAK, FLORIDA
Notes to the financial statements
September 30, 2021

Note 2 – Reconciliation of Government-Wide and Fund Financial Statements

Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position:

Following the governmental fund balance sheet is reconciliation between fund balance – total governmental funds and net positions – governmental activities as reported in the government-wide statement of net position. A detailed explanation of these differences is provided in the reconciliation.

Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities:

Following the governmental fund statement of revenues, expenditures, and changes in fund balances, there is reconciliation between net changes in fund balances – total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. A detailed explanation of these differences is provided in this reconciliation.

Note 3 – Stewardship, Compliance, and Accountability

A. Budgetary Information

Annual budgets for all governmental and proprietary funds were adopted in compliance with Florida law. The basis on which the budgets are prepared is consistent with the basis of accounting utilized by the various fund types. The governmental funds' budgets are prepared on the modified accrual basis of accounting. The proprietary funds' budgets are prepared on a full accrual basis of accounting. The City uses the following procedures in establishing the budgetary data reflected in the accompanying financial statements:

1. On or before July 1st, Department Supervisors submit a preliminary budget for their department to the City Administrator.
2. Budget workshop sessions are scheduled by the City Council, as needed
3. A general summary of the budget and notice of public hearing is published in the local newspaper.
4. Prior to October 1st, the budget is legally enacted through passage of an ordinance.
5. The City Manager must approve all inter-departmental budget amendments and/or appropriations transfers. Budgetary control is exercised at the function level.
6. Every appropriation lapse at the close of the fiscal year.

The budgets for governmental funds that were adopted during the year by the City Council were prepared using the modified accrual basis of accounting in accordance with generally accepted accounting principles. The general, special revenue and capital projects fund have legally adopted budgets.

The water and sewer utility fund, stormwater utility fund, gas utility fund and sanitation fund also have legally adopted budgets. Presentation of budget /actual comparisons for these funds has not been presented in these financial statements as the disclosure would be misleading and is not required by generally accepted accounting principles.

CITY OF LIVE OAK, FLORIDA
Notes to the financial statements
September 30, 2021

Note 4 – Property Tax Calendar

Under Florida law, the assessment of all properties and the collection of all county, municipal and school district property taxes are consolidated in the offices of the County Property Appraiser and County Tax Collector. The laws of the state regulating tax assessment are also designed to assure a consistent property valuation method statewide. State Statutes permit municipalities to levy property taxes at a rate of up to 10 mills. This millage rate assessed by the City was 9.2521 mills for the year ended September 30, 2021.

The property tax calendar is as follows:

Valuation Date January 1, 2021

Property appraiser prepares the assessment roll with values as of January 1, 2020, submits preliminary roll for approval by the State and notifies each taxing authority of their respective valuations. July 1, 2021

City Council holds two required public hearings and adopts a budget and ad valorem tax millage rate for the coming fiscal year. September, 2021

Property appraiser certified the assessment roll and all real and tangible personal property taxes are due and payable (Levy date). November 1, 2021

A Notice of Taxes is mailed to each property owner on the assessment roll. Taxes are paid November 2021 through March 2022, with the following applicable discounts: November 1, 2021

<u>Month Paid</u>	<u>Discount Percent</u>
November	4
December	3
January	2
February	1
March	0

All unpaid taxes on real and tangible personal property become delinquent. April 1, 2022

A list of unpaid tangible personal property taxes and a list of unpaid real property taxes are advertised. April/May 2022

Tax certificates are sold on all real estate parcels with unpaid real property taxes (Lien date). May/June 2022

A court order is obtained authorizing the seizure and sale of personal property if the taxpayer fails to pay the delinquent taxes. September 10, 2022

CITY OF LIVE OAK, FLORIDA
Notes to the financial statements
September 30, 2021

NOTE 5 – Cash Deposits and Investments

Deposits

	Carrying Amount	Bank Balance
Insured (1)	\$ 13,216,961	\$ 13,411,197
Uninsured:		
Uncollateralized (2)	29,975	29,975
Cash Funds	1,075	-
Total Deposits	<u>13,248,011</u>	<u>13,441,172</u>

Investments

	Fair Value	Maturities	Credit Rating
Pension Fund investments held by trustee:			
Common stock listed on ASE, NYSE, and NASDAQ	1,187,933	N/A	N/A
U.S. Government bonds	334,197	N/A	N/A
Corporate bonds	14,997	9 years or less	A3/A-
Corporate bonds	10,569	9 years or less	A2/A
Corporate bonds	9,644	8 years or less	A1/A+
Corporate bonds	9,871	7 years or less	A2/A
Corporate bonds	9,058	6 years or less	AA3/A+
Corporate bonds	3,219	6 years or less	A1/AA-
Corporate bonds	8,790	6 years or less	A1/A+
Corporate bonds	11,864	5 years or less	A2/A-
Corporate bonds	14,862	5 years or less	A2/A
Corporate bonds	4,320	5 years or less	A3/A-
Corporate bonds	7,315	4 years or less	A1/A
Corporate bonds	9,505	4 years or less	A2/A1
Corporate bonds	16,076	3 years or less	AA3/AA-
Corporate bonds	12,627	3 years or less	AAA/AAA
Corporate bonds	6,378	3 years or less	A3/A-
Corporate bonds	15,486	2 years or less	A1/A
Corporate bonds	15,640	2 years or less	A2/A
Corporate bonds	13,106	1 years or less	A2/A-
Corporate bonds	20,108	1 years or less	A2/A+
Corporate bonds	20,153	1 years or less	A2/A
Corporate bonds	21,133	1 years or less	A2/A
Total fair value	<u>\$ 1,776,851</u>		

(1) FDIC and Florida Security for Public Deposits Act.

(2) Money market funds held by trustees in the Firefighter's Substitute Pension Trust Fund are uninsured, uncollateralized funds.

A reconciliation of cash and investments to the financial statements of the primary government is as follows:

Carrying value of deposits	\$ 13,248,011	
Carrying value of investments	<u>1,776,851</u>	
Total per note detail		<u>\$ 15,024,862</u>
Cash and Cash equivalents	\$ 11,725,208	
Restricted cash and cash equivalents	1,492,828	
Fiduciary fund cash and investments	<u>1,806,826</u>	
Total reported in statement of net position and statement of fiduciary net position		<u>\$ 15,024,862</u>

CITY OF LIVE OAK, FLORIDA
Notes to the financial statements
September 30, 2021

Note 5 – Cash Deposits and Investments – continued

Investment Policy

The City's investment policies are governed by state statutes, specifically Sections 218.415 and 218.415(17). Authorized investments of the City and are limited to:

- a) The Local Government Surplus Funds Trust Fund or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act.
- b) Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency.
- c) Interest-bearing time deposits or savings accounts in qualified public depositories.
- d) Direct obligations of the U.S. Treasury.

When the Firefighter's substitute pension plan replaced the Fire pension plan in July 2006, Ordinance 1134 authorized the Firefighter's pension board the authority to invest in assets in accordance with the written investment policy. Authorized investments of the pension plan under the investment policy are as follows:

Equities

- Equity securities must be listed on the New York and principal regional and foreign exchanges or in over the counter securities where an active market maker is regulated by the NASD.
- For international investing, American Depository Receipts (ADRs) that trade over the counter, such as "Pink Sheet" ADR's and Bulletin Board ADR's are permissible.
- Any investment not in the categories listed above is prohibited.

Fixed Income

- Fixed income securities shall be invested in marketable debt securities issued or guaranteed by either (a) the United States Government or its agencies, (b) domestic corporations or Israel Bonds (c) domestic banks and other US financial institutions, or (d) state and municipal bonds.
- Except for Treasury and Agency obligations, the debt portion of the Pension Fund shall contain no more than 10% of a given issuer irrespective of the number of differing issues.
- If commercial paper is used it must be only of the highest quality (A-1 or P-1)
- Private placement debt is not permissible.

Risk Disclosures

The City does not have an investment policy that addresses its exposure to interest rate changes, custodial credit risk, or credit quality risk. The following items discuss the City and the pension plans exposure to various risks:

Interest Rate Risk

In accordance with the provisions of the state statutes governing allowable investments, the City manages its exposure to the declines in interest rates by limiting the maturity of specific investments to provide sufficient liquidity to pay obligations as they come due.

The pension plan investment policy does not have any restrictions as to the maturity or duration of fixed income securities.

CITY OF LIVE OAK, FLORIDA
Notes to the financial statements
September 30, 2021

Note 5 – Cash Deposits and Investments – continued

Credit Quality Risk

City Investments - The City has not adopted a specific investment policy with respect to the investment of government-wide funds. Section 218.415, Florida Statutes addresses investment policies for municipalities within the state of Florida. Provisions of that statute indicate that in the absence of written policy, the City defaults to the authorized investments specified under Section 218.415 (17) Florida Statutes for government-wide investments. A description of the investments permissible under this section of the state statutes is outlined under the heading Investment Policy above.

Investments of the Pension Trust Fund – The Substitute Fire Pension Board has the authority to guide the trustees on the investment plan for the Fire pension funds. The Board’s investment policy states that all fixed income securities must hold a rating of one of the three highest classifications by a major rating service. Securities ratings that are reduced beneath the three highest classifications after purchase should be sold by the portfolio manager within a reasonable period of time as determined by the manager. As of September 30, 2019 the City's investments in corporate bonds, held by trustees of the Substitute Firefighters Pension Trust Fund, were rated from A3 to AA2 by Standard & Poor's and rated by Moody's Investors Service from AA to A-, in the amounts as indicated above.

Concentration of Credit Risk

For the City’s investments, the provisions of Sections 218.415 (17), Florida Statutes do not specifically address concentration of credit risk, however, authorized investments are generally limited to securities that by their nature are either guaranteed by the United States government, or hold the highest credit rating.

The pension plan’s investment policy requires investments to be diversified to the extent practicable to control the risk of loss resulting from on overconcentration of assets in a in a specific maturity, issuer, instrument, dealer, or bank through which financial instruments are purchased and sold. As such, the equity position in any one company shall not exceed 5% of the total portfolio at market. The total portfolio shall not exceed the 25% maximum limit on foreign securities at market. In addition, the fixed income portion of the pension fund shall not contain more than 10% of a given issuer irrespective of the number of differing issues. Other diversification standards must be developed and applied by the Investment Managers.

Custodial Credit Risk

In the case of deposits, this is the risk that in the event of a bank failure, the City's deposits may not be returned to it. Pursuant to the applicable provisions of Chapter 280, Florida Statutes, the *Florida Security of Public Deposits Act* ("the Act"), the State of Florida, Department of Financial Services, Division of Treasury, Bureau of Collateral Management have established specific requirements relative to the security and collateralization for public deposits. Accordingly, banks qualifying as a public depository in the State of Florida must adopt the necessary procedures outlined in these statutes and meet all of the requirements of this chapter to be designated by the State Chief Financial Officer as eligible to receive deposits from municipal depositors. Collateral having a market value equal to 50% of the average daily balance for each month of all public deposits in excess of any applicable depository insurance is required to be pledged or deposited with the State Chief Financial Officer to secure such deposits. Additional collateral, up to a maximum of 125% may be required if deemed necessary under the conditions set forth in the Act. Securities eligible to be pledged as collateral are generally limited to obligations of the United States government and any state thereof and are held in the name of the State Chief Financial Officer’s office. Compliance with the provisions of Chapter 280, Florida Statutes, is monitored by a Qualified Public Depository Oversight Board with members appointed by the State Chief Financial Officer. The pension funds utilize a third party custodian to help manage custodial credit risk.

CITY OF LIVE OAK, FLORIDA
Notes to the financial statements
September 30, 2021

Note 5 – Cash Deposits and Investments – continued

For an investment, this is the risk that, in the event of the failure of the counterparty, the City (primary government) will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City’s pension trust fund’s investments of \$1,776,851 held in street name in the form of stock, corporate bonds, and U. S. Government bonds through a financial brokerage firm and are uninsured and unregistered.

Fair Value Measurements

The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels:

- Level 1 Inputs—are quoted prices (unadjusted) for identical assets or liabilities in active markets that a government can access at the measurement date.
- Level 2 Inputs—are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly or indirectly.
- Level 3 Inputs—are unobservable inputs for an asset or liability. The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs. If a price for an identical asset or liability is not observable, a government should measure fair value using another valuation technique that maximizes the use of relevant observable inputs and minimizes the use of unobservable inputs.

The City’s investments are measured at fair value on a recurring basis. Fair value measurements are categorized based on the valuation inputs used to measure an asset’s fair value in the hierarchy described above. The fair value measurements for the City’s pension investments are as follows at September 30, 2021:

Investments by Fair Value Level	Amount	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Money Market Funds	\$ 29,975	\$ 29,975	\$ -	\$ -
U.S. Bonds & Bills	334,197	334,197	-	-
Common Stocks/Equity	1,187,933	1,187,933	-	-
Corporate Bonds	254,721	-	254,721	-
Total Investments by Fair Value Level	\$ 1,806,826	\$ 1,552,105	\$ 254,721	\$ -

Note: As of September 30, 2021, the City had accrued interest receivable related to investments of \$2,512.

Money Market Funds, U.S. Treasury Notes, and Common Stocks/Equity are valued based on prices quoted in active markets and are categorized as Level 1 in the fair value hierarchy. Corporate bonds are valued using quoted prices for similar securities in active markets and are categorized as Level 2 in the fair value hierarchy.

CITY OF LIVE OAK, FLORIDA
Notes to the financial statements
September 30, 2021

Note 6 – Restricted Assets

The City’s financial statements include restricted assets as a result of maintaining (holding) enterprise funds’ customers’ depository accounts and serial debt indenture requirements.

A summary of restricted assets of the City, at September 30, 2021, is as follows:

Business-type Activities:

	Water and Sewer Utility Fund	Stormwater Fund	Gas Fund	Sanitation Fund	Total
Checking Account	1,105,761	19,103	149,572	218,392	1,492,828
	<u>\$ 1,105,761</u>	<u>\$ 19,103</u>	<u>\$ 149,572</u>	<u>\$ 218,392</u>	<u>\$ 1,492,828</u>

Note 7 – Accounts Receivable

The City's accounts receivable at September 30, 2021 consists of the following:

Governmental Activities:

General Fund:

Delinquent taxes receivable	\$	3,060
Accounts receivable		206,620
Less allowance for doubtful accounts		(16,000)
Total governmental activities accounts receivable, net		<u>\$ 193,680</u>

Business-type Activities:

Enterprise Funds:

Water and Sewer Utility		
Accounts receivable	\$	751,694
Less allowance for doubtful accounts		(199,592)
Stormwater Utility Fund:		
Accounts receivable		17,264
Less allowance for doubtful accounts		(7,000)
Gas Utility Fund:		
Accounts receivable		169,452
Less allowance for doubtful accounts		(44,184)
Sanitation Fund:		
Accounts receivable		225,627
Less allowance for doubtful accounts		(81,367)
Total business-type activities accounts receivable, net		<u>\$ 831,894</u>

CITY OF LIVE OAK, FLORIDA
Notes to the financial statements
September 30, 2021

Note 8 – Due from Other Governments

The City's due from other governments at September 30, 2021 consists of the following:

Governmental Activities		
Suwannee County	\$	1,643
Other Local Government-Housing Authority		21,189
State of Florida, Department of Revenue		203,509
State of Florida, Department of Transportation		499,506
State of Florida, Department of Legal Affairs		7,537
State of Florida, Department of Law Enforcement		93,277
		\$ 826,661
Business-type Activities		
State of Florida, Department of Corrections	\$	92,114
		\$ 92,114

Note 9 – Interfund Balances and Transfers

The outstanding balances between funds result mainly from the time between the dates reimbursable expenditures occur, when transactions are recorded in the accounting system, and when payments between funds are made. All interfund balances are expected to be repaid within one year. Individual fund interfund receivables and payables for the primary government at September 30, 2021, are comprised of the following:

Fund	Interfund Receivables	Interfund Payables
Internal balances - due to/from other funds:		
General Fund	100,814	10,652
Special Revenue Funds:		
Special Projects	-	93,277
Victims Advocate Fund	-	7,537
Community Redevelopment Tax Fund	10,652	-
Totals	\$ 111,466	\$ 111,466

CITY OF LIVE OAK, FLORIDA
Notes to the financial statements
September 30, 2021

Note 9 – Interfund Balances and Transfers -continued

Transfers occur to reclassify revenues from funds to finance various programs, provide grant matching funds, or to subsidize operations that the City must account for in other funds in accordance with budgetary authorizations. During the fiscal year ended September 30, 2021 the City made the following transfers:

	Operating Transfers In	Operating Transfers Out
General Fund	\$ 1,905,548	\$ 259,738
Capital Projects Funds	-	388,370
Community Redevelopment Tax Fund	259,738	-
Enterprise Funds:		
Water and Sewer Utility Fund	-	1,043,832
Stormwater Fund	-	15,500
Gas Fund	-	187,846
Sanitation Fund	-	270,000
Totals	<u><u>\$ 2,165,286</u></u>	<u><u>\$ 2,165,286</u></u>

Note 10 - Capital Assets

Capital asset activity for the year ended September 30, 2021, was as follows:

	Beginning Balance 10/1/2020	Additions	Deletions/ Transfers	Ending Balance 9/30/2021
Governmental Activities				
Capital Assets Not Being Depreciated:				
Land	\$ 1,823,159	\$ -	\$ -	\$ 1,823,159
Construction in Progress	169,510	654,367	(34,622)	789,255
Total Capital Assets Not Being Depreciated	<u>1,992,669</u>	<u>654,367</u>	<u>(34,622)</u>	<u>2,612,414</u>
Capital Assets Being Depreciated:				
Buildings	4,131,558	184,634	2,585	4,318,777
Improvements Other Than Buildings	2,231,061	-	-	2,231,061
Machinery and Equipment	4,525,753	298,888	(276,696)	4,547,945
Infrastructure	8,544,688	-	-	8,544,688
Total Capital Assets Being Depreciated	<u>19,433,060</u>	<u>483,522</u>	<u>(274,111)</u>	<u>19,642,471</u>
Less Accumulated Depreciation:				
Buildings	(1,628,315)	(115,385)	339	(1,743,361)
Improvements Other Than Buildings	(1,190,471)	(90,096)	-	(1,280,567)
Machinery and Equipment	(3,502,641)	(190,052)	266,731	(3,425,962)
Infrastructure	(2,052,915)	(340,900)	-	(2,393,815)
Total Accumulated Depreciation	<u>(8,374,342)</u>	<u>(736,433)</u>	<u>267,070</u>	<u>(8,843,705)</u>
Total Capital Assets Being Depreciated, Net	<u>11,058,718</u>	<u>(252,911)</u>	<u>(7,041)</u>	<u>10,798,766</u>
Governmental Activities Capital Depreciated, Net	<u><u>\$ 13,051,387</u></u>	<u><u>\$ 401,456</u></u>	<u><u>\$ (41,663)</u></u>	<u><u>\$ 13,411,180</u></u>

CITY OF LIVE OAK, FLORIDA
Notes to the financial statements
September 30, 2021

Note 10 – Capital Assets - continued

	Beginning Balance 10/1/2020	Additions	Deletions/ Transfers	Ending Balance 9/30/2021
Business-type Activities				
Capital Assets Not Being Depreciated:				
Land	\$ 1,602,184	\$ -	\$ -	\$ 1,602,184
Construction in Progress	-	-	-	-
Total Capital Assets Not Being Depreciated	1,602,184	-	-	1,602,184
Capital Assets Being Depreciated:				
Buildings	1,193,402	-	-	1,193,402
Wastewater Treatment Plant	24,235,343	-	-	24,235,343
Improvement Other than Buildings	46,013,680	-	-	46,013,680
Machinery and Equipment	1,966,628	305,622	(110,577)	2,161,673
Total Capital Assets Being Depreciated	73,409,053	305,622	(110,577)	73,604,098
Less Accumulated Depreciation				
Buildings	(342,019)	(21,025)	-	(363,044)
Wastewater Treatment Plant	(5,694,585)	(490,651)	-	(6,185,236)
Improvement Other than Buildings	(13,795,772)	(1,006,407)	-	(14,802,179)
Machinery and Equipment	(1,345,610)	(113,815)	108,370	(1,351,055)
Total Accumulated Depreciation	(21,177,986)	(1,631,898)	108,370	(22,701,514)
Total Capital Assets Being Depreciated, Net	52,231,067	(1,326,276)	(2,207)	50,902,584
Total Business-type Activities				
Capital Assets, Net	\$ 53,833,251	\$ (1,326,276)	\$ (2,207)	\$ 52,504,768

Depreciation expense was charged to function/program of the primary government as follows:

Governmental Activities	
General Government	97,387
Physical Environment	159,909
Public Safety	135,937
Transportation	343,200
Total Depreciation Expense - Governmental Activities	736,433
Business-type Activities	
Water Utility	1,461,869
Storm Utility	71,958
Gas Utility	46,926
Sanitation	51,145
Total Depreciation Expense - Business-type Activities	1,631,898

CITY OF LIVE OAK, FLORIDA
Notes to the financial statements
September 30, 2021

Note 11 – Long-term Debt

Since fiscal year 2004, the City has sought and been awarded funding from the Florida Department of Environmental Protection State Revolving Loan program to finance the planning and designing of a new Wastewater Treatment Plant, Phase I and Phase II, Stormwater Improvements, Sanitary Sewer Rehabilitation, and Drinking Water Wellfield Improvements. The following is a summary of those activities and related pledged revenues. All borrowings have a term of 20 years and payments are made semiannually:

Associated with the Wastewater Treatment Plant (Project 66206P), established 6/28/04, the City borrowed \$879,120 at 1.88% annually, beginning 5/15/08. Terms of this borrowing require semi-annual payments of \$27,821 due on March 15th and September 15th through September 15th 2026. The City's sewer revenue serves as collateral for this borrowing.

The City also borrowed \$10,458,418 for the Wastewater Treatment Plant (Project 662080), dated May 20th, 2006. These funds were borrowed at 2.30% annually. Terms of this borrowing require semi-annual payments, starting July 8, 2008, of \$326,344 due on July 15th and January 15th through January 15th 2027. Associated with this borrowing, the State of Florida, Department of Environmental Protection has provided a grant (FDEP Grant WW662080) funding \$7,871,237 of this borrowing. This state grant provides \$227,510 of each installment of \$326,344. As a result, the City's "net" semi-annual portion of this serial debt payment is \$98,833. The City's sewer revenue serves as collateral for this borrowing. In January of 2016, the State paid out their Grant in full in the amount of \$5,100,331, reducing interest costs to them and the City. The semi-annual loan payments beginning January 2015 are \$97,831.

With respect to Stormwater Projects (Project 66207P), the City borrowed \$116,682 at 1.81% annually. Terms of this borrowing require semi-annual payments of \$3,729 due on March 30th and September 30th through March 30, 2028, beginning February 27, 2006. The City's stormwater revenue serves as collateral for this borrowing.

The City also borrowed \$584,944 at 2.30% annually for Stormwater Projects (Project 662070). Terms of this borrowing require semi-annual payments of \$17,110 due on October 15th and April 15th beginning on October 15, 2010. This debt agreement matures on April 15, 2029. The City's stormwater revenue serves as collateral for this borrowing.

Associated with the Wastewater Treatment Plant Phase II (Project 662110), the City borrowed \$238,653 at 1.87% annually. Terms of this borrowing require semi-annual payments of \$7,654 due on January 15th and July 15th beginning on January 15, 2011. This debt arrangement matures on July 15, 2030. The City's sewer revenue received from the Suwannee Correctional Institution serves as collateral for this borrowing.

The City also borrowed \$13,157,760 for the Wastewater Treatment Plant Phase II (Project 662111), dated March 27, 2009. Terms of this borrowing at 2.30%. The loan was re-amortized for an additional 10 years on April 20, 2021. It requires semi-annual payments of \$219,374.52 due on January 15th and July 15th through July 15, 2040. The City's sewer revenue received from the Suwannee Correctional Institution serves as collateral for this borrowing.

With respect to Sanitary Sewer Rehabilitation Projects (Project 610200), dated July 10, 2009, the City borrowed \$1,404,787 at 1.98% annually. Terms of this borrowing require semi-annual payments of \$43,118 due on January 15th and July 15th beginning on January 15, 2011. This debt arrangement matures on July 15, 2030. The City's water revenue received from the Suwannee Correctional Institution serves as collateral for this borrowing.

The City further borrowed \$1,967,567, dated January 20, 2011, for Phase II of the Sanitary Sewer Rehabilitation Projects (Project 610220) at 1.87% annually. Terms of this borrowing require semi-annual payments of \$61,266 due on September 15th and March 15th beginning on September 15, 2012. This debt arrangement matures on July 15, 2030. The City's water revenue received from the Suwannee Correctional Institution serves as collateral for this borrowing.

CITY OF LIVE OAK, FLORIDA
Notes to the financial statements
September 30, 2021

Note 11 – Long-term Debt- continued

The City also borrowed \$148,759, dated January 11, 2011, for Sanitary Sewer Rehabilitation Projects (Project 610201). Terms of this borrowing, at 1.98% annually, require semi-annual payments of \$4,694 due on January 15th and July 15th beginning on January 15, 2011. This debt arrangement matures on July 15, 2030. The City’s water revenue received from the Suwannee Correctional Institution serves as collateral for this borrowing.

Associated with Phase I of the sanitary sewer rehabilitation projects, the United States Department of Environmental Protection has awarded the City \$4,641,034 of American Recovery and Reinvestment Act of 2009 (“ARRA”) principal forgiveness. Phase II of the sanitary sewer rehabilitation projects, the United States Department of Environmental Protection has awarded the City \$6,444,433 of American Recovery and Reinvestment Act (ARRA) principal forgiveness, all of which had been expended prior to September 30, 2011.

The City also borrowed \$450,000 for Drinking Water Wellfields (Project 610210), dated 12/4/09. Terms of this borrowing include an annual interest rate of 2.71% and semi-annual payments of \$14,865, beginning February 15, 2011. This debt arrangement matures on August 15, 2030. The City’s water revenue received from the Suwannee Correctional Institution serves as collateral for this borrowing.

Associated with these Water Wellfields, the United States Department of Environmental Protection had awarded the City \$2,550,000 of ARRA principal forgiveness (DW610210) during the year ended September 30, 2012. In addition, the City had received further ARRA funding in the amount of \$450,000 (DW610211). It has also awarded the City \$1,413,538 of ARRA (principal forgiveness).

With respect to Drinking Water Wellfields (Project 610211), dated September 30, 2010, the City also borrowed \$455,608 at 2.61% annually. Terms of this borrowing include semi-annual payments of \$13,360 due on February 15th and August 15th beginning on August 15, 2011. This debt arrangement matures on February 15, 2031. The City’s water revenue received from the Suwannee Correctional Institution serves as collateral for this borrowing.

Pledged Revenue

Pledged revenues on the City’s outstanding debt for the year ended September 30, 2021, were as follows:

Description of Notes	Pledged Revenue	Net Revenue Received	Principal and Interest Paid	Estimated Percentage Pledged	Outstanding Principal and Interest	Pledged Through
Projects 662110, 662111, 610200, 610220, 610201, 610210, 610211, 66206P, 662080	Net Water & Sewer Revenues	2,011,801	1,170,634	58.19%	12,791,114	2040
Projects 66207P and 662070	Net Stormwater Revenues	64,896	41,679	64.22%	375,102	2030

CITY OF LIVE OAK, FLORIDA
Notes to the financial statements
September 30, 2021

Note 11 – Long-term Debt – continued

Changes in long-term liabilities

Long-term liability activity for the year ended September 30, 2021, was as follows:

	Balances 10/1/20	Additions	Reductions	Balances 9/30/21	Due Within One Year
Governmental activities:					
Compensated absences	\$ 219,800	\$ -	\$ (16,811)	\$ 202,989	\$ 100,303
OPEB liability	433,664	-	(28,624)	405,040	-
Net Pension Liability -					
Florida Retirement	6,496,486	-	(4,624,546)	1,871,940	-
Firefighters Plan	311,950	-	(242,851)	69,099	-
Governmental activity Long-term liabilities	<u>\$ 7,461,900</u>	<u>\$ -</u>	<u>\$ (4,912,832)</u>	<u>\$ 2,549,068</u>	<u>\$ 100,303</u>
Business-type activities:					
Notes payable - DEP*	12,314,703	-	(974,384)	11,340,319	801,127
OPEB liability	-	25,561	-	25,561	-
Mini Backhoe 3yr Lease*	24,155		24,155		
Net Pension Liability FRS	-	53,330	-	53,330	-
Business-type activity Long-term liabilities	<u>\$ 12,338,858</u>	<u>\$ 78,891</u>	<u>\$ (950,229)</u>	<u>\$ 11,419,210</u>	<u>\$ 801,127</u>

*These obligations are considered to be Direct Borrowings under GASB 88

Long-term debt – future requirements

Debt service requirements for all notes and payables as of September 30, 2021, is as follows:

	Business-type Activities	
	Note Payable - DEP	
	Principal	Interest
2022	801,127	220,517
2023	816,988	204,646
2024	833,168	188,476
2025	849,671	171,973
2026	866,506	155,138
2027-2031	3,510,901	536,922
2032-2036	1,982,519	272,670
2037-2040	1,679,439	75,554
	<u>\$ 11,340,319</u>	<u>\$ 1,825,896</u>

CITY OF LIVE OAK, FLORIDA
Notes to the financial statements
September 30, 2021

Note 12 – Employees’ Pension Plans

A. Substitute Firefighter Pension Trust Fund – Defined Benefit Pension Plan

Plan Description

Plan Administration

The Plan is a single-employer defined benefit pension plan. The general administration and responsibility for the proper operation of the Plan and for making effective the provisions of Ordinance 1274 are hereby vested in a Board of Trustees consisting of five (5) persons as follows:

1. Two (2) residents of the City, recommended by the Mayor and appointed by the City Council;
2. Two (2) active or retired Firefighters/plan members elected by a majority of the active and retired Firefighters who are members of this Plan; and
3. A fifth Trustee to be selected by the other four Trustees and appointed as a ministerial act by the City Council. Active members of this Plan shall include any Firefighter who was an active Member of the Predecessor Plan on the date the Predecessor Plan was terminated, including all Members receiving benefits on that termination date.

Plan Membership as of October 1, 2020:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	7
Inactive Plan Members Entitled to but Not Yet Receiving Benefits	0
Active Plan Members	<u>0</u>
	<u>7</u>

Benefits Provided

The Plan provides retirement, termination, disability and death benefits.

A summary of the benefit provisions can be found in the October 1, 2020 Actuarial Valuation Report for the City of Live Oak Firefighters’ Substitute Pension Trust Fund prepared by Foster & Foster Actuaries and Consultants.

Contributions

Member Contributions: 3.0% of Compensation.

City Contributions: Amount required after member contributions in order to pay current costs and amortize unfunded past service cost over a period not to exceed 30 years.

Investments

Investment Policy:

The following was the Board’s adopted asset allocation policy as of September 30, 2021:

Asset Class	Target Allocation
Domestic Equity	55%
International Equity	10%
Fixed Income	35%
Total	100%

Concentrations:

The Plan did not hold investments in any one organization that represent 5 percent or more of the Pension Plan’s Fiduciary Net Position.

CITY OF LIVE OAK, FLORIDA
Notes to the financial statements
September 30, 2021

Note 12 – Employees’ Pension Plans – continued

A. Substitute Firefighter Pension Trust Fund – Defined Benefit Pension Plan (continued)

Rate of Return:

For the year ended September 30, 2021, the annual money-weighted rate of return of Pension Plan investments, net of Pension Plan investment expense, was 20.54 percent.

The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

The components of the Net Pension Liability of the Sponsor on September 30, 2021 were as follows:

Total Pension Liability	\$ 1,879,723
Plan Fiduciary Net Position	(1,810,624)
Sponsor's Net Pension Liability	\$ 69,099
Plan Fiduciary Net Position as a percentage of Total Pension Liability	96.32%

Actuarial Assumptions:

The Total Pension Liability was determined by an actuarial valuation as of October 1 2020, updated to September 30, 2021 using the following actuarial assumptions:

Inflation	2.30%
Salary Increases	N/A
Discount Rate	6.75%
Investment Rate of Return	6.75%

Mortality Rate Healthy Retiree:

Female: PubS.H-2010 for Healthy Retirees, set forward one year.

Male: PusS.H-2010 (Below Median) for Healthy Retirees, set forward one year.

Mortality Rate Beneficiary Lives:

Female: PubG.H-2010 (Below Median) for Healthy Retirees.

Male: PubG.H-2010 (Below Median) for healthy Retirees, set back one year.

All rates are projected generationally with Mortality Improvement Scale MP-2018. We feel this assumption sufficiently accommodates future mortality improvements.

The previously described mortality assumption rates were mandated by Chapter 2015-157, Laws of Florida. This law mandates the use of the assumptions used in either of the two most recent valuations of the Florida Retirement System (FRS). The above rates are those outlined in Milliman’s July 1, 2019 FRS valuation report for special risk employees.

Since this is a retiree-only plan, the assumptions for withdrawal, retirement, disability, payroll growth, and salary increases are not applicable. Accordingly, no formal actuarial experience study has been performed for these assumptions.

The Long-Term Expected Rate of Return on Pension Plan investments can be 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 expenses and inflation) are developed for each major asset class.

CITY OF LIVE OAK, FLORIDA
Notes to the financial statements
September 30, 2021

Note 12 – Employees’ Pension Plans – continued

A. Substitute Firefighter Pension Trust Fund – Defined Benefit Pension Plan (continued)

For 2021 the inflation rate assumption of the investment advisor was 1.75%. 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.

Best estimates of geometric real rates of return for each major asset class included in the Pension Plan’s target asset allocation as of September 30, 2020 are summarized in the following table:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return
Domestic Equity	55%	5.85%
International Equity	10%	4.75%
Fixed Income	35%	1.42%
Total	100%	

¹ Source: Morgan Stanley. Secular annualized return and volatility estimates are based on a 20-year-plus time horizon. Please note that long term expected return of the total portfolio is greater than simply multiplying each of the above “Long Term Expected Real Rate of Returns” by their target allocation % and adding them together. Not only is the time horizon longer for an actuarial valuation relative to the time horizon over which the above projected returns were generated, but also there is an additional correlation resulting from a diversified portfolio that will provide additional returns.

Discount Rate:

The discount rate used to measure the total pension liability was 6.75 percent.

The projection of cash flows used to determine the Discount Rate assumed that Plan Member contributions will be made at the current contributions rate and that Sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the Member rate. Based on those assumptions, the Pension Plan’s Fiduciary Net Position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the Long-Term Expected Rate of Return on Pension Plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

	1% Decrease 5.75%	Current Discount Rate 6.75%	1% Increase 7.75%
Sponsor's Net Pension Liability	\$226,831	\$69,099	(\$67,641)

CITY OF LIVE OAK, FLORIDA
Notes to the financial statements
September 30, 2021

Note 12 – Employees’ Pension Plans – continued

A. Substitute Firefighter Pension Trust Fund – Defined Benefit Pension Plan (continued)

Changes in Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a)-(b)
Balance at September 30, 2020	\$ 1,931,575	\$ 1,619,625	\$ 311,950
Service Cost			
Interest	124,432		124,432
Changes of Benefit Terms			
Differences between Expected vs Actual Experience			
Changes in Assumptions			
Contributions - Employer		60,869	(60,869)
Net Investment Income		320,993	(320,993)
Benefit Payments, Including	(176,284)	(176,284)	
Refunds of Employee Contributions			
Administrative Expense		(14,579)	14,579
Net Changes	(51,852)	190,999	(242,851)
Balance at September 30, 2021	\$ 1,879,723	\$ 1,810,624	\$ 69,099

Notes to Schedule:

Changes of assumptions:

For measurement date 09/30/2021, as mandated by Chapter 2015-157, Laws of Florida, the assumed rates of mortality were changed to the rates used in Milliman’s July 1, 2019 FRS valuation report for special risk employees. In addition, the investment rate of return assumption was lowered from 7.50% to 6.75%, gross of investment related expenses.

B. Florida Retirement System

Plan Description- The FRS Pension Plan was created in Chapter 121 Florida Statutes, to provide a defined benefit pension plan for participating public employees. All regular employees are eligible. The FRS was amended in 1998 to add the Deferred Retirement Option Program (DROP) under the FRS Pension Plan.

The general classes of membership applicable to the City are as follows:

- *Regular Class-* Members of the FRS who do not qualify for membership in the other classes.
- *Elected Officer Class-* Members who hold specified elective offices in local government.
- *Senior Management Service Class-* Members in senior management level position.
- *Special Risk Class-* Members who are employed in special risk careers, such as law enforcement or fire rescue, and meet the criteria to qualify for this class.

Plan Administration- The FRS Pension Plan is administered by the State of Florida, Department of Management Services, Division of Retirement. Changes to the law can only occur through an act of the Florida Legislature

CITY OF LIVE OAK, FLORIDA
Notes to the financial statements
September 30, 2021

Note 12 – Employees’ Pension Plans – continued

B. Florida Retirement System

Plan Benefits- Provisions relating to the FRS Pension Plan are established by Chapters 121 and 122, Florida Statutes; Chapter 112 Part IV, Florida Statutes; Chapter 238, Florida Statutes; and FRS Rules, Chapter 60S, Florida Administrative Code; wherein eligibility, contributions, and benefits are defined and described in detail. Employees enrolled in the FRS Pension Plan prior to July 1, 2011, vest at six years of creditable service and employees enrolled in the FRS Pension plan on or after July 1, 2011, vest at eight years of creditable service. All vested members enrolled prior to July 1, 2011, are eligible for normal retirement benefits at age 62 or at any age after 30 years of service, except for members classified as special risk who are eligible for normal retirement benefits at age 55 or at any age after 25 years of service. All members enrolled in the FRS Pension Plan on or after July 1, 2011, once vested, are eligible for normal retirement benefits at age 65 or any time after 33 years of creditable service, except for members classified as special risk who are eligible for normal retirement benefits at age 60 or at any age after 30 years of service. Members of the FRS Pension Plan may include up to four years of credit for military service toward creditable service. The FRS Pension Plan also includes an early retirement provision; however, there is a 5% benefit reduction for each year a member retires before his or her normal retirement date.

DROP is available under the FRS Pension Plan when the member first reaches eligibility for normal retirement. DROP allows a member to retire while continuing employment for up to 60 months, except that certain instructional personnel may participate for up to 96 months. While in the DROP, the member’s retirement benefits accumulate in the FRS Pension Plan trust fund (increased by a cost-of-living adjustment each July). DROP participants starting the program prior to July 1, 2011, earn monthly interest equivalent to an annual rate of 6.5%. Participants starting the program on or after July 1, 2011, earn an effective annual rate of 1.3%. When the DROP period ends, the DROP account is paid out as a lump-sum payment, a rollover, or a combination, and monthly benefits are subsequently paid to the member in the amount as calculated upon entry into DROP, plus cost-of-living adjustments for intervening years. In most cases, the DROP participant must cease employment when the DROP period ends.

Benefits under the FRS Pension Plan are computed on the basis of age and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the five highest fiscal years’ earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the eight highest fiscal years’ earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on the retirement class to which the member belonged when the service credit was earned (from 1.60% - 3.00%). Members are eligible for in-line-of-duty or regular disability and survivors’ benefits.

As provided in Section 121.101, Florida Statutes, if the member initially enrolled in the FRS Pension Plan before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of-living adjustment is 3% per year. If the member is initially enrolled before July 1, 2011, and has service credit on or after July 1, 2011, there is an individually calculated cost-of-living adjustment, based on the ratio of service credit accrued pre-July 2011. Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

CITY OF LIVE OAK, FLORIDA
Notes to the financial statements
September 30, 2021

Note 12 – Employees’ Pension Plans – continued

B. Florida Retirement System- continued

Contributions- The Florida Legislature establishes contribution rates for participating employers and employees. Contribution rates for FRS during the City’s 2020-21 fiscal year were as follows:

Class	Year Beginning July 1, 2021		Year Beginning July 1, 2020	
	Percent of Gross Salary		Percent of Gross Salary	
	Employee	Employer ⁽¹⁾	Employee	Employer ⁽¹⁾
Regular	3.00	9.10	3.00	8.28
Elected Officers	3.00	49.70	3.00	47.46
Senior Management Service	3.00	27.29	3.00	25.57
Special Risk Regular	3.00	24.17	3.00	22.73
DROP	0.00	16.62	0.00	15.32

⁽¹⁾ These rates include the normal cost and unfunded actuarial liability contributions but do not include the contribution for the Retiree Health Insurance Subsidy and the fee of 0.06% for administration of the FRS Investment Plan and provision of educational tools for both plans.

The City contributions, employer, to the FRS Pension Plan totaled \$479,839 for the fiscal year ended September 30, 2021.

Net Pension Liability

At September 30, 2021, the City reported the following net pension liability:

	FRS Pension Plan
City's Proportion	0.0123256650%
City's Proportionate Share of Net Pension Liability	\$931,064

The City’s proportionate share of the net pension liability was based on the City’s contributions during the FRS Pension Plan’s fiscal year relative to the contributions of all participating members in the same fiscal year. At June 30, 2020, the City’s proportion decreased by .064782% from its proportion measured as of June 30, 2021.

Discount Rate

The discount rate used to measure the total pension liability was 6.80%. The FRS Pension Plan's fiduciary net position was projected to be available to make all projected future benefit payments of active and inactive plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

CITY OF LIVE OAK, FLORIDA
Notes to the financial statements
September 30, 2021

Note 12 – Employees’ Pension Plans – continued

B. Florida Retirement System- continued

Actuarial Assumptions

The total pension liability in the July 1, 2021 actuarial valuation, was determined using the individual entry age cost method and the following actuarial assumptions, applied to all periods included in the measurement:

	FRS Pension Plan
Inflation	2.40%
Salary Increases	3.25%
Investment Rate of Return, Including Inflation	6.80%
Mortality Table	Generational PUB-2010
Actuarial Cost Method	Individual Entry Age

Long-term Expected Rate of Return

The long-term expected rate of return on pension plan investments was not based on historical returns, but instead is based on a forward-looking capital market economic model. The allocation policy’s description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes an adjustment for the inflation assumption. The target allocation and best estimates of arithmetic and geometric real rates of return for each major asset class are summarized in the following table:

Long-term Expected Rate of Return (Concluded)

Asset Class	Annual Target Allocation (1)	Annual Arithmetic Return	Geometric Return	Standard Deviation
Cash	1.0%	2.1%	2.1%	1.1%
Fixed Income	20.0%	3.8%	3.7%	3.3%
Global Equity	54.2%	8.2%	6.7%	17.8%
Real Estate	10.3%	7.1%	6.2%	13.8%
Private Equity	10.8%	11.7%	8.5%	26.4%
Strategic Investments	3.7%	5.7%	5.4%	8.4%
Total	100%			
Assumed Inflation - Mean			2.4%	1.2%

(1) As Outlined in the FRS Pension Plan's Investment Policy

CITY OF LIVE OAK, FLORIDA
Notes to the financial statements
September 30, 2021

Note 12 – Employees’ Pension Plans – continued

B. Florida Retirement System- continued

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the City, calculated using the current discount rate of 6.80%, 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 (5.80%) or 1-percentage-point higher (7.80%) than the current rate:

	1% Decrease 5.80%	Current Discount Rate 6.80%	1% Increase 7.80%
City's Proportionate Share of the Net Pension Liability - FRS	4,163,780	931,064	(1,771,124)

The actuarial assumptions used in the July 1, 2021 valuation, were based on the results of an actuarial experience study for the period July 1 2013, through June 30, 2018.

HIS Pension Plan

Plan Description- The HIS Pension Plan was established under Section 112.363, Florida Statutes, to provide a monthly payment to assist retirees of state administered retirement systems in paying their health insurance costs.

Plan Administration- The HIS Pension Plan is administered by the State of Florida, Department of Management Services, Division of Retirement. The HIS Pension Plan may be amended by the Florida Legislature at any time.

Plan Benefits- For the fiscal year ended September 30, 2021, eligible retirees and beneficiaries received a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$30 and a maximum HIS payment of \$150 per month, pursuant to Section 112.363, Florida Statutes, retirees under a state administered retirement system must provide proof of health insurance coverage to be eligible to receive benefits.

Contributions- The HIS Pension Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. Contribution rates remained at 1.66% through the City’s fiscal year. The rate has been 1.66% since October 1, 2015. The City contributed 100% of its statutorily required contributions for the current and preceding three years.

HIS Pension Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Pension Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or canceled.

The City’s contributions to the HIS Pension Plan totaled \$48,585 for the fiscal year ended September 30, 2021.

CITY OF LIVE OAK, FLORIDA
Notes to the financial statements
September 30, 2021

Note 12 – Employees’ Pension Plans – continued

HIS Pension Plan- continued

Net Pension Liability

At September 30, 2021, the City reported the following net pension liability:

	HIS Pension Plan
City's Proportion	0.0081050520%
City's Proportionate Share of Net Pension Liability	\$994,206

The City’s proportionate share of the net pension liability was based on the City’s contributions during the HIS Pension Plan’s fiscal year relative to the contributions of all participating members in the same fiscal year. At June 30, 2021, the City’s proportion increased .095029% from its proportion measured as of June 30, 2020.

Discount Rate

The discount rate used to measure the total pension liability was 2.21% for the HIS Pension Plan’s fiscal year ended June 30, 2021. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Pension Plan sponsor.

Actuarial Assumptions

The total pension liability in the July 1 2019 actuarial valuation, was determined using the individual entry age cost method and the following actuarial assumptions, applied to all periods included in the measurement:

	HIS Pension Plan
Inflation	2.40%
Salary Increases	3.25%
Mortality Table	Generational PUB-2010 Individual
Actuarial Cost Method	Entry Age

The actuarial assumptions used in the July 1, 2021 valuation, were based on the results of an actuarial experience study for the period July 1 2013, through June 30, 2018.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the City, calculated using the current discount rate of 2.21%, 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 (1.21%) or 1-percentage-point higher (3.21%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
	1.21%	2.21%	3.21%
City's Proportionate Share of the Net Pension Liability - HIS	1,149,399	994,206	867,061

CITY OF LIVE OAK, FLORIDA
Notes to the financial statements
September 30, 2021

Note 12 – Employees’ Pension Plans – continued

FRS Investment Plan

Plan Description- As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the defined contribution plan, the Investment Plan, in lieu of the FRS defined-benefit plan. City employees participating in DROP are not eligible to participate in the Investment Plan.

Plan Administration- The Investment Plan is administered by the State Board of Administration (SBA), and is reported in the SBA’s annual financial statements and in the State of Florida Comprehensive Annual Financial Report.

Plan Benefits- Service retirement benefits are based upon the value of the member’s account upon retirement. Employer and employee contributions, including amounts contributed to individual members’ accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature.

For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the Investment Plan, the member must have the years of service required for FRS Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Nonvested employer contributions are placed in a suspense account for up to five-years. If the employee returns to FRS-covered employment within the five-year period, the employee will regain control over their account. If the employee does not return within the five-year period, the employee will forfeit the accumulated account balance.

Costs of administering the Investment Plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.06% of payroll and by forfeited benefits of Investment Plan members. For the fiscal year ended September 30, 2021, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the City.

After termination and applying to receive benefits, the member may rollover vested funds to another qualified plan, structure a periodic payment under the Investment Plan, receive a lump-sum distribution, leave the funds invested for future distribution, or any combination of these options. Disability coverage is provided; the member may either transfer the account balance to the FRS Pension Plan when approved for disability retirement to receive guaranteed lifetime monthly benefits under the FRS Pension Plan, or remain in the Investment Plan and rely upon that account balance for retirement income.

CITY OF LIVE OAK, FLORIDA
Notes to the financial statements
September 30, 2021

Note 12 – Employees’ Pension Plans – continued

Additional Disclosures– Defined Benefit Plans

Contributions- The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Elected Officers, etc.) as the FRS Pension Plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Allocations to the investment members’ accounts (employee and employer) during the Investment Plan’s fiscal year ending June 30, 2021, were as follows:

<u>Class</u>	<u>Percent of Gross Compensation</u>
Regular	6.30
Elected Officers	11.34
Senior Management Service	7.67
Special Risk Regular	14.00

The City’s Investment Plan pension expense totaled \$160,776 for the fiscal year ended September 30, 2021.

	Firefighter's			Total
	<u>Plan</u>	<u>FRS</u>	<u>HIS</u>	
Net Pension Liability	69,099	931,064	994,206	1,994,369

Deferred Outflows of Resources

	Firefighter's			Total
	<u>Plan</u>	<u>FRS</u>	<u>HIS</u>	
Employer Contributions				
After Measurement Date	-	114,024	10,850	124,874
Difference Between Expected and Actual Experience	-	159,586	33,269	192,855
Changes in Assumptions	-	637,080	78,122	715,202
Net Difference Between Projected and Actual Earnings on Investments	49,660	-	1,036	50,696
Changes in Proportion and Differences Between City Contributions and Proportionate Share of Contributions	-	110,524	112,665	223,189
Total Deferred Outflows of Resources	<u>49,660</u>	<u>1,021,214</u>	<u>235,942</u>	<u>1,306,816</u>

CITY OF LIVE OAK, FLORIDA
Notes to the financial statements
September 30, 2021

Note 12 – Employees’ Pension Plans – continued

Additional Disclosures— Defined Benefit Plans

Deferred Inflows of Resources

	Firefighter's Plan	FRS	HIS	Total
Difference Between Expected and Actual Experience	-	-	416	416
Changes in Assumptions	-	-	40,964	40,964
Net Difference Between Projected and Actual Earnings on Investments	181,469	3,248,248	-	3,429,717
Changes in Proportion and Differences Between City Contributions and Proportionate Share of Contributions	-	299,321	48,100	347,421
Total Deferred Inflows of Resources	181,469	3,547,569	89,480	3,818,518

The deferred outflows of resources related to pension resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending September 30, 2021. Other amounts reported as deferred outflows and inflows of resources related to pension will recognized in pension expense as follows:

Fiscal Year Ending	Firefighter's Plan Amount	FRS Amount	HIS Amount	Total
2022	(29,900)	(468,164)	25,327	(472,737)
2023	(21,275)	(537,023)	18,269	(540,029)
2024	(37,423)	(706,086)	28,476	(715,033)
2025	(43,211)	(909,534)	31,883	(920,862)
2026		(19,572)	23,790	4,218
Thereafter			7,867	7,867
Total	(131,809)	(2,640,379)	135,612	(2,636,576)

CITY OF LIVE OAK, FLORIDA
Notes to the financial statements
September 30, 2021

Note 12 – Employees’ Pension Plans – continued

Additional Disclosures— Defined Benefit Plans

Pension Expense

For the year ended September 30, 2021, the City recognized pension expense from the defined benefit pension plans as follows:

Pension Expense

For the year ended September 30, 2021, the City recognized pension expense from the defined benefit pension plans as follows:

Firefighter's Plan	(10,557)
FRS	(28,363)
HIS	76,420
Total	<u>37,500</u>

Payables to the Pension Plan

At September 30, 2021, the City did not report any payables to the pension plans for the outstanding amount of contributions.

C. Deferred Employee Benefits:

The City provides its employees with two deferred compensation plans, created in accordance with Internal Revenue Code Section 457(b). The assets of these plans are administered by The Legend Group and Pebeco-Nationwide Retirement Solutions. The plans have been amended to include provisions changed by the Economic Growth and Tax Relief Reconciliation Act of 2001. Annual employee contributions of \$1612. for fiscal year ended September 30, 2021, are optional and determined by the participant as a percentage of compensation. Such contributions may not exceed the lesser of \$16,500 or 100% of gross annual compensation per employee under current federal income taxation regulations. Deferred compensation withheld from a participating employee’s pay is not taxable as current income until withdrawn from the plan. All assets and income of the plan are held in trust for the exclusive benefit of the participants and their beneficiaries. The City made no contributions on its behalf during the year ending September 30, 2021.

Note 13 –Other Post-Employment Benefits (OPEB)

Plan Description

The City of Live Oak’s Retiree Health Care Plan (Plan) is a single-employer defined benefit post-employment health care plan that covers eligible retired employees of the City. The Plan, which is administered by the City, allows employees who retire and meet retirement eligibility requirements under the applicable retirement plan to continue medical insurance coverage as a participant in the City’s plan. For purposes of applying Paragraph 4 under Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, the Plan does not meet the requirements for an OPEB plan administered through a trust.

CITY OF LIVE OAK, FLORIDA
Notes to the financial statements
September 30, 2021

Note 13 –Other Post-Employment Benefits (OPEB)- continued

Employees Covered by Benefit Terms-

At October 1, 2020, the following employees were covered by the benefit terms:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	0
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	0
Active Plan Members	77
	77
	77

Benefits Provided

A retired employee and his or her spouse are eligible to continue health insurance identical to active employees if they meet the eligibility for retirements under the applicable Plan. The retiree is responsible for paying the entire monthly premium for health coverage and that of any covered spouse or eligible dependents. Upon reaching age 65, Medicare is assumed to become primary.

TOTAL OPEB LIABILITY

The measurement date is September 30, 2021.

The measurement period for the OPEB expense was October 1, 2020 to September 30, 2021.

The reporting period is October 1, 2020 through September 30, 2021.

The City’s Total OPEB Liability was measured as of September 30, 2021.

Actuarial Assumptions

The Total OPEB Liability was determined by an actuarial valuation as of September 30, 2021 using the following actuarial assumptions:

Inflation	2.50%
Salary Increases	2.50%
Discount Rate	2.43%
Initial Trend Rate	7.00%
Ultimate Trend Rate	4.00%
Years to Ultimate	54

For all lives, mortality rates were PubG-2010 Mortality Tables projected to the valuation date using Projection Scale MP-2020.

Discount Rate

Given the City’s decision not to fund the program, all future benefit payments were discounted using a high-quality municipal bond rate of 2.43%. The high-quality municipal bond rate was based on the measurement date of the S&P Municipal Bond 20 Year High Grade Rate Index as published by S&P Dow Jones Indices. The S&P Municipal 20 Year High Grade Rate Index consists of bonds in the S&P Municipal Bond Index with maturity of 20 years. Eligible bonds must be rated at least AA by Standard and Poor’s Ratings Services, Aa2 by Moody’s or AA by Fitch. If there are multiple ratings, the lowest rating is used.

CITY OF LIVE OAK, FLORIDA
Notes to the financial statements
September 30, 2021

Note 13 –Other Post-Employment Benefits (OPEB) – continued

OPEB Expense

Under GASB 75 as it applies to plans that qualify for the Alternative Measurement Method, changes in the Total OPEB Liability are not permitted to be included in deferred outflows of resources or deferred inflows of resources related to OPEB. These changes will be immediately recognized through OPEB expense.

For the year ended September 30, 2021, the Sponsor will recognize OPEB Expense of \$8,148.

CHANGES IN TOTAL OPEB LIABILITY

		Increases and Decreases in Total OPEB Liability
Reporting Period Ending September 30, 2020	\$	433,664
Changes for a Year:		
Service Cost		31,196
Interest		8,917
Differences Between Expected and Actual Experience		(44,571)
Changes of Assumptions		8,706
Changes of Benefit Terms		-
Contributions - Employer		-
Benefit Payments		(7,311)
Other Changes		-
Net Changes		(3,063)
Reporting Period Ending September 30, 2021	\$	430,601

Differences Between Expected and Actual Experience represents the impact of changes in the census data during the 12-month period between the prior full actuarial valuation and the current valuation.

Notes to Schedule:

Changes of assumptions:

Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period:

Fiscal Year Ending September 30, 2021:	2.43%
Fiscal Year Ending September 30, 2020:	2.14%
Fiscal Year Ending September 30, 2019:	3.58%

Also reflected as assumption changes are updated mortality rates, updated health care costs and premiums, and updated health care cost trend rates.

CITY OF LIVE OAK, FLORIDA
Notes to the financial statements
September 30, 2021

Note 13 – Other Post-Employment Benefits (OPEB) – continued

Benefit Payments:

The plan sponsor did not provide actual net benefits paid by the Plan for the fiscal year ending on September 30, 2021. Expected new benefit payments produced by the valuation model for the same period are shown in the table above.

Sensitivity of the Total OPEB Liability to changes in the Discount Rate

The following presents the Total OPEB Liability of the City, as well as what the City’s Total OPEB Liability would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current discount rate:

	1% Decrease	Current Discount Rate	1% Increase
	1.43%	2.43%	3.43%
Total OPEB Liability (Asset)	\$ 505,075	\$ 430,601	\$ 370,109

Sensitivity of the Total OPEB Liability to changes in the Healthcare Cost Trend Rates

The following presents the Total OPEB Liability of the City, as well as what the City’s Total OPEB Liability would be if it were calculated using healthcare cost trend rates that are one percentage-point lower or one percentage point higher than the current healthcare cost trend rates:

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
	3.00 - 6.50%	4.00% - 7.50%	5.00 - 8.50%
Total OPEB Liability (Asset)	\$ 362,536	\$ 430,601	\$ 515,327

Note 14 – Legal Matters

The City is engaged in routine litigation incidental to the conduct of its business and municipal affairs. In the opinion of its Counsel, no legal proceedings are pending against them, not covered by insurance, which would inhibit the City’s ability to perform its operations or materially affect its financial condition.

Note 15 – Commitments and Contingencies

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal and state governments. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds(s).

Note 16 – Risk Management

The City of Live Oak is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; error and omissions; injuries to employees; and natural disasters, all of which is satisfactorily insured by general liability insurance. Commercial insurance policies are also obtained for all other risks of loss, including worker’s compensation and employee health and accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years.

CITY OF LIVE OAK, FLORIDA
Notes to the financial statements
September 30, 2021

Note 17 – Fund Balance Classifications

In accordance with Governmental Accounting Standards Board Statement 54, Fund Balance Reporting and Governmental Fund Type Definitions, the City classifies governmental fund balances as follows:

Non-Spendable - includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual requirements.

Spendable Fund Balance

- **Restricted** – includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or amounts constrained due to constitutional provisions or enabling legislation.
- **Committed** – includes fund balance amounts that can only be used for specific purposes pursuant to constraints imposed by formal action (e.g., ordinance or resolution) of the organization’s governing authority (the City Council). These committed amounts cannot be used for any other purposes unless the City Council removes or changes the specified use by taking the same type of action employed to constrain those amounts.
- **Assigned** – This component of fund balance consists of amounts that are constrained by a less-than-formal action of the organization’s governing authority, or by an individual or body to whom the governing authority has delegated this responsibility. In addition, residual balances in capital projects and debt service funds are considered assigned for the general purpose of the respective fund.
- **Unassigned** - includes residual fund balance within the General Fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those specific purposes.

The City uses restricted amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents/contracts that prohibit doing this, such as in grant agreements requiring dollar for dollar spending. Additionally, the City would first use committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

Note 18 – Economic Dependency

The City has entered into an agreement with Florida Department of Corrections for providing water and wastewater services to the Suwannee Correctional Institution. The agreement has a term of twenty (20) years, with revenue of \$13,366,440 over the term of the first ten (10) years. That contract expired January of 2021 and reverted to the original contract for several months. A new contract was negotiated with Department of Corrections for a monthly water and sewer rate of \$92,113.50, providing an annual revenue of \$1,105,362 through January of 2028.

During the year ended September 30, 2021 total water and sewer fund operating revenue was \$5,143,406. Of this amount, \$825,275 or 16% was paid by the State of Florida Department of Corrections associated with the Suwannee Correctional Institution.

During the year-ended September 30, 2021 total gas revenue was \$942,170. Pilgrim’s Pride remitted \$302,316 which represents 32% of the total revenue.

CITY OF LIVE OAK, FLORIDA
Notes to the financial statements
September 30, 2021

Note 19 – Subsequent Events

Subsequent Event

The following events have been completed or have made substantial progress subsequent to September 30, 2021.

As the new fiscal year began, paving of Winderweedle Roadway progressed quickly. Curb and gutter work followed and the striping has been completed. The completed project is once again open to traffic and a beautiful asset to the City of Live Oak.

The City of Live Oak has received the first trench of American Rescue Plan Act funds in the amount of \$1,746,919. in October of 2021. The second half of our expected Federal funding should be received in October of 2022. The City held a public workshop to discuss possible uses of the funds. Water, Sewer and Stormwater projects are the primary plans of the funds with the priority to implement an Automated Meter Reading system on residential meters, replacement of well 11, increasing the capacity of the Sewer Lift Station at the north end of US90.

The City has entered into a Design Build contract for \$798,200. for two Storm Drainage Well rehabilitations that will be funded by TAP Federal funding grants.



Required Supplemental Information

CITY OF LIVE OAK, FLORIDA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes:				
General Property Taxes:				
Ad Valorem Taxes	\$ 1,986,876	\$ 1,986,876	\$ 1,964,589	\$ (22,287)
In lieu of Ad Valorem Property Taxes	208,900	208,900	212,983	4,083
Utility Tax	670,000	670,000	657,874	(12,126)
Fire Fee	380,000	380,000	379,604	(396)
Franchise Fees:				
Power and Light	480,750	480,750	453,454	(27,296)
Telecommunications	271,046	271,046	289,270	18,224
Total Taxes	<u>3,997,572</u>	<u>3,997,572</u>	<u>3,957,774</u>	<u>(39,798)</u>
Licenses and Permits:				
Business Tax Receipts	106,000	106,000	114,086	8,086
Building Permits	76,000	76,000	140,331	64,331
Other	15,000	15,000	21,900	6,900
Total Licenses and Permits	<u>197,000</u>	<u>197,000</u>	<u>276,317</u>	<u>79,317</u>
Intergovernmental Revenues:				
State Shared Revenues:				
Municipal Revenue Sharing	302,105	302,105	253,352	(48,753)
Motor Fuel Tax	72,000	72,000	75,976	3,976
Mobile Home Licenses	2,600	2,600	3,411	811
Beverage Tax	4,000	4,000	3,536	(464)
Sales Tax	310,822	310,822	384,527	73,705
Firefighter Suppliment	3,960	3,960	3,516	(444)
Fuel Tax Refund	7,600	7,600	7,727	127
EPA Brownsfield Grant	-	-	4,364	4,364
DOT SCOPE Grant	915,000	915,000	603,332	(311,668)
TS State	-	-	7,725	7,725
Local Source:				
Training Grant CareerSource N.F.	-	-	857	857
Suwannee County	-	-	50,000	50,000
Housing Authority in Lieu	22,000	22,000	21,189	(811)
Total Intergovernmental Revenues	<u>1,640,087</u>	<u>1,640,087</u>	<u>1,419,512</u>	<u>(220,575)</u>
Charges for Services:				
Pound Fees	1,000	1,000	2,185	1,185
Traffic Assistance	106,000	106,000	112,164	6,164
Right-of-way Maintenance - D.O.T.	60,000	60,000	60,000	-
Zoning Fees	9,000	9,000	11,905	2,905
Miscellaneous	7,000	7,000	6,466	(534)
Total Charges for Services	<u>183,000</u>	<u>183,000</u>	<u>192,720</u>	<u>9,720</u>
Fines and Forfeitures	15,100	15,100	13,756	(1,344)
Miscellaneous Revenues:				
Interest	8,000	8,000	5,239	(2,761)
Tower Rental	50,000	50,000	55,145	5,145
Cemetery Lots	28,000	28,000	31,150	3,150
Sales of fixed assets	-	-	5,181	5,181
Other	5,000	5,000	22,398	17,398
Total Miscellaneous Revenues	<u>91,000</u>	<u>91,000</u>	<u>119,113</u>	<u>28,113</u>
Total Revenues	<u>6,123,759</u>	<u>6,123,759</u>	<u>5,979,192</u>	<u>(144,567)</u>

**CITY OF LIVE OAK, FLORIDA
BUDGET COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Expenditures:				
General Government:				
Legislative:				
Personnel Services	\$ 184,223	\$ 184,223	\$ 172,032	\$ 12,191
Operating Expenses	23,050	23,050	15,515	7,535
	<u>207,273</u>	<u>207,273</u>	<u>187,547</u>	<u>19,726</u>
Financial and Administrative:				
Personnel Services	1,155,522	1,155,522	1,046,086	109,436
Operating Expenses	563,030	563,030	476,442	86,588
Capital Outlay	59,000	59,000	75,355	(16,355)
	<u>1,777,552</u>	<u>1,777,552</u>	<u>1,597,883</u>	<u>179,669</u>
Total General Government	<u>1,984,825</u>	<u>1,984,825</u>	<u>1,785,430</u>	<u>199,395</u>
Public Safety:				
Law Enforcement:				
Personnel Services	1,421,448	1,421,448	1,273,468	147,980
Operating Expenses	216,150	216,150	194,961	21,189
Capital Outlay	240,000	240,000	47,299	192,701
	<u>1,877,598</u>	<u>1,877,598</u>	<u>1,515,728</u>	<u>361,870</u>
Fire Protection:				
Personnel Services	1,153,266	1,153,266	1,097,090	56,176
Operating Expenses	139,810	139,810	98,154	41,656
Capital Outlay	-	-	14,500	(14,500)
	<u>1,293,076</u>	<u>1,293,076</u>	<u>1,209,744</u>	<u>83,332</u>
Inspection and Code Enforcement:				
Personnel Services	134,922	134,922	111,752	23,170
Operating Expenses	28,525	28,525	28,516	9
Capital Outlay	25,000	25,000	-	25,000
	<u>188,447</u>	<u>188,447</u>	<u>140,268</u>	<u>48,179</u>
Animal Control:				
Personnel Services	32,423	32,423	24,857	7,566
Operating Expenses	14,900	14,900	15,874	(974)
	<u>47,323</u>	<u>47,323</u>	<u>40,731</u>	<u>6,592</u>
Total Public Safety	<u>3,406,444</u>	<u>3,406,444</u>	<u>2,906,471</u>	<u>499,973</u>

CITY OF LIVE OAK, FLORIDA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2021
(Concluded)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Expenditures <i>(Concluded)</i>				
Transportation:				
Road and Street Facilities:				
Personnel Services	\$ 453,201	\$ 453,201	\$ 308,311	\$ 144,890
Operating Expenses	817,560	817,560	576,074	241,486
Capital Outlay	1,628,000	1,628,000	733,967	894,033
	<u>2,898,761</u>	<u>2,898,761</u>	<u>1,618,352</u>	<u>1,280,409</u>
Economic Development				
Operating Expenses	21,600	21,600		21,600
	<u>21,600</u>	<u>21,600</u>	<u>-</u>	<u>21,600</u>
Culture and Recreation				
Operating Expenses	220,391	220,391	220,391	-
	<u>220,391</u>	<u>220,391</u>	<u>220,391</u>	<u>-</u>
Physical Environment:				
Personnel Services	208,626	208,626	109,730	98,896
Operating Expenses	20,672	20,672	35,280	(14,608)
Capital Outlay	30,000	30,000	-	30,000
	<u>259,298</u>	<u>259,298</u>	<u>145,010</u>	<u>114,288</u>
Human Services:				
Operating Expenses	29,750	29,750	29,750	-
	<u>29,750</u>	<u>29,750</u>	<u>29,750</u>	<u>-</u>
Total Expenditures	<u>8,821,069</u>	<u>8,821,069</u>	<u>6,705,404</u>	<u>2,115,665</u>
Excess (Deficiency) Revenues Over (Under)				
Expenditures	<u>(2,697,310)</u>	<u>(2,697,310)</u>	<u>(726,212)</u>	<u>1,971,098</u>
Other Financing Sources (Uses)				
Transfers from:				
Infrastructure Fund	625,000	625,000	11,370	(613,630)
Capital Projects Fund	801,620	801,620	377,000	(424,620)
Water and Sewer Utility Fund	1,043,832	1,043,832	1,043,832	-
Stormwater Fund	25,012	25,012	15,500	(9,512)
Gas Utility Fund	187,846	187,846	187,846	-
Sanitation Fund	270,000	270,000	270,000	-
Transfers to:				
Community Redevelopment Tax Fund	<u>(256,000)</u>	<u>(256,000)</u>	<u>(259,738)</u>	<u>(3,738)</u>
Total Financing Sources (Uses)	<u>2,697,310</u>	<u>2,697,310</u>	<u>1,645,810</u>	<u>(1,051,500)</u>
Excess (Deficiency) of Revenue and Other sources Over (Under)				
Expenditures and Other Uses	-	-	919,598	919,598
Fund Balance, Beginning of Year	<u>-</u>	<u>-</u>	<u>2,501,423</u>	<u>927,098</u>
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,421,021</u>	<u>\$ 1,846,696</u>

*Budgetary control is exercised at function level. See page 36 for more information.

**CITY OF LIVE OAK, FLORIDA
BUDGETARY COMPARISON SCHEDULE
COMMUNITY REDEVELOPMENT TAX FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 246,000	\$ 246,000	\$ 252,660	\$ 6,660
Interest Earned	4,000	4,000	2,145	(1,855)
Total Revenues	<u>250,000</u>	<u>250,000</u>	<u>254,805</u>	<u>4,805</u>
Expenditures				
General Government	153,500	153,500	55,571	97,929
Transportation	33,000	33,000	3,350	29,650
Recreation	20,500	20,500	15,870	4,630
Economic Environment	414,000	414,000	103,101	310,899
Capital Outlay				
General Government	360,000	360,000	230,026	129,974
Transportation	200,000	200,000	-	200,000
Physical Environment		-		-
Recreation	70,000	70,000	52,962	17,038
Total Expenditures	<u>1,251,000</u>	<u>1,251,000</u>	<u>460,880</u>	<u>790,120</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,001,000)</u>	<u>(1,001,000)</u>	<u>(206,075)</u>	<u>794,925</u>
Other Financing Resources (Uses)				
Transfers in				
General Fund	256,000	256,000	259,738	3,738
Total Other Financing Sources (Uses)	<u>256,000</u>	<u>256,000</u>	<u>259,738</u>	<u>3,738</u>
Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures	(745,000)	(745,000)	53,663	798,663
Fund Balance, Beginning of Year	<u>745,000</u>	<u>745,000</u>	<u>1,072,026</u>	<u>327,026</u>
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,125,689</u>	<u>\$ 1,125,689</u>

CITY OF LIVE OAK, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SUBSTITUTE FIREFIGHTER PENSION PLAN
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RELATIONS
Last 10 Fiscal Years

	9/30/2021	9/30/2020	9/30/2019	9/30/2018	9/30/2017	9/30/2016	9/30/2015
Total Pension Liability							
Service Cost	-	-	-	-	-	-	-
Interest	124,432	134,560	136,697	141,363	142,480	135,680	138,318
Change in Excess State Money	-	-	-	-	-	-	-
Change in Funding Standard Account	-	-	-	-	-	-	-
Share Plan Allocation	-	-	-	-	-	-	-
Changes of Benefit Terms	-	-	-	-	-	-	-
Differences between Expected vs Actual Experience	-	38,923	16,213	-21,441	26,766	27,974	15,106
Changes in Assumptions	-	55,153	-	-	-	115,424	-
Contributions - Buy Back	-	-	-	-	-	-	-
Benefit Payments, Including							
Refunds of Employee Contributions	(176,284)	(182,383)	(180,439)	(183,822)	(184,462)	(192,342)	(184,871)
Net Change in Total Pension Liability	(51,852)	46,253	(27,529)	(63,900)	(15,216)	86,736	(31,447)
Total Pension Liability - Beginning	1,931,575	1,885,322	1,912,851	1,976,751	1,991,967	1,905,231	1,936,678
Total Pension Liability - Ending (a)	\$1,879,723	\$1,931,575	\$1,885,322	\$1,912,851	\$1,976,751	\$1,991,967	\$1,905,231
Plan Fiduciary Net Position							
Contributions - Employer	60,869	53,782	53,782	57,179	56,011	43,177	27,114
Net Investment Income	320,993	90,843	45,985	167,912	194,641	108,639	(32,672)
Benefit Payments, Including							
Refunds of Employee Contributions	(176,284)	(182,383)	(180,439.00)	(183,822)	(184,462)	(192,342)	(184,871)
Administrative Expense	(14,579)	(7,986)	(13,904.00)	(17,008)	(15,879)	(1,837)	0
Other	-	-	-	-	-	0	-
Net Change in Plan Fiduciary Net Position	190,999	(45,744)	(94,576)	24,261	50,311	(42,363)	(190,429)
Plan Fiduciary Net Position - Beginning	1,619,625	1,665,369	1,759,945	1,735,684	1,685,373	1,727,736	1,918,165
Plan Fiduciary Net Position - Ending (b)	\$1,810,624	\$1,619,625	\$1,665,369	\$1,759,945	\$1,735,684	\$1,685,373	\$1,727,736
Net Pension Liability - Ending (a) - (b)	\$69,099	\$311,950	\$219,953	\$152,906	\$241,067	\$306,594	\$177,495
Plan Fiduciary Net Position as a							
Percentage of the Total Pension Liability	96.32%	83.85%	88.33%	92.01%	87.80%	84.61%	90.68%

Notes to Schedule:

Differences between the plan fiduciary net position presented above and the amounts presented in the financial statements are due to certain accruals which are the result of timing differences.

These differences are not considered to be significant.

The schedule above will build to 10 years as information becomes available.

Changes of assumptions

For measurement date 9/30/2020, as mandated by Chapter 2015-157, Laws of Florida, the assumed rates of mortality were changed to the rates used in Milliman's July 1, 2019 FRS valuation report for special risk employees. In addition, the investment rate of return assumption was lowered from 7.5% to 6.75%, gross of investment related expenses. For measurement date 09/30/2016, as a result of Chapter 2015-157, Laws of Florida, the assumed rates of mortality were changed to the assumptions used by the Florida Retirement System for special risk employees. The inflation assumption rate was lowered from 3.00% to 2.50%, matching the long-term inflation assumption utilized by the Plan's investment consultant.

**CITY OF LIVE OAK, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SUBSTITUTE FIREFIGHTER PENSION PLAN
SCHEDULE OF CONTRIBUTIONS**

Last 10 Fiscal Years

Fiscal Year Ended	Actuarially Determined Contribution	Contributions in relation to the Actuarially Determined Contributions	Contributions Dificiency (Excess)	Covered Employee Payroll	Contributions as a percentage of Covered Employee Payroll
9/30/2021	\$ 60,869	\$ 60,869	\$ -	N/A	N/A
9/30/2020	\$ 53,782	\$ 53,782	\$ -	N/A	N/A
9/30/2019	\$ 53,782	\$ 53,782	\$ -	N/A	N/A
9/30/2018	\$ 57,179	\$ 57,179	\$ -	N/A	N/A
9/30/2017	\$ 56,011	\$ 56,011	\$ -	N/A	N/A
9/30/2016	\$ 43,177	\$ 43,177	\$ -	N/A	N/A
9/30/2015	\$ 25,887	\$ 27,114	\$ (1,227)	N/A	N/A
9/30/2014	\$ 25,454	\$ 25,454	\$ -	N/A	N/A

Notes to Schedule

Valuation Date: 10/1/2020

Actuarially determined contribution rates are calculated as of October 1, one year prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates can be found in October 1, 2020. Actuarial Valuation for the City of Live Oak Firefighters' Substitute Pension Trust Fund prepared by Foster & Foster Actuaries and Consultants.

Mortality: *Healthy Inactive Lives:*
 Female: RP2000 Generational, 100% Annuitant White Collar, Scale BB.
 Males: RP2000 Generational, 10% Annuitant White Collar/ 90% Annuitant Blue Collar Scale BB.
 The assumed rates of mortality were mandated by Chapter 2015-157, Laws of Florida. This law mandates the use of the assumptions used in either of the two most recent valuations of the Florida Retirement System (FRS). The above rates are those outlined in the July 1, 2016 FRS actuarial valuation report for healthy special risk employees. We feel this assumption sufficiently accommodates future mortality improvements.

Interest Rate: 7.5% per year compounded annually, gross of investment-related expenses. This is supported by the target asset class allocation of the trust and the expected long-term return by asset class.

Payroll Growth: none

Asset Method: Fair Market Value

Funding Method: Aggregate Actuarial Cost Method

SCHEDULE OF INVESTMENT RETURNS

Last 10 Fiscal Years

Fiscal Year Ended	Annual Money-Weighted Rate of Return Net of Investment Expense
9/30/2021	20.54%
9/30/2020	5.66%
9/30/2019	2.72%
9/30/2018	9.99%
9/30/2017	12.06%
9/30/2016	6.56%
9/30/2015	-1.76%
9/30/2014	8.29%

The above schedules will build to 10 years as information becomes available.

CITY OF LIVE OAK, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CITY'S PROPORTIONATE SHARE OF NET PENSION LIABILITY
FLORIDA RETIREMENT SYSTEM AND HEALTH INSURANCE SUBSIDY PENSION PLANS
FLORIDA RETIREMENT SYSTEM PENSION PLAN

	9/30/2021	9/30/2020	9/30/2019	9/30/2018	9/30/2017	9/30/2016	9/30/2015
City's Proportion of the FRS Net Pension Plan	1.232566500%	0.012973489%	0.013696881%	0.013002250%	0.012486026%	0.012796910%	0.012608384%
City's Proportionate Share of the FRS Net Pension Plan	931,064	5,622,902	4,717,015	3,916,345	3,693,283	3,231,230	1,628,542
City's Covered-Employee Payroll (6/30)	2,870,000	2,483,735	2,536,325	2,378,735	2,284,880	2,267,892	1,835,301
City's Proportionate Share of the FRS Net Pension Liability as a Percentage of its Covered- Employee Payroll	32.44%	226.39%	185.98%	164.64%	161.64%	142.48%	88.73%
FRS Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	96.40%	78.85%	82.61%	84.26%	83.89%	84.88%	92.00%

Note: the amounts shown above as reported on the date indicated, have a measurement date three months prior. Covered-employee payroll is for the year shown.

HEALTH INSURANCE SUBSIDY PENSION PLAN

	9/30/2021	9/30/2020	9/30/2019	9/30/2018	9/30/2017	9/30/2016	9/30/2015
City's Proportion of the HIS Net Pension Plan	0.008105052%	0.007154758%	0.007582135%	0.007281423%	0.007166783%	0.007344800%	0.007969916%
City's Proportionate Share of the HIS Net Pension Plan	994,206	873,584	848,365	770,674	766,305	856,011	812,806
City's Covered-Employee Payroll (6/30)	2,870,000	2,483,735	2,536,325	2,378,735	2,284,880	2,267,892	1,835,301
City's Proportionate Share of the HIS Net Pension Liability as a Percentage of its Covered- Employee Payroll	34.64%	35.17%	33.45%	32.40%	33.54%	37.74%	44.29%
HIS Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	3.56%	3.00%	2.63%	2.15%	1.64%	0.97%	0.99%

Note: the amounts shown above as reported on the date indicated, have a measurement date three months prior. Covered-employee payroll is for the year shown.

**CITY OF LIVE OAK, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CITY'S CONTRIBUTIONS
FLORIDA RETIREMENT SYSTEM AND HEALTH INSURANCE SUBSIDY PENSION PLANS
SEPTEMBER 30, 2021**

FLORIDA RETIREMENT SYSTEM PENSION PLAN

	<u>9/30/2021</u>	<u>9/30/2020</u>	<u>9/30/2019</u>	<u>9/30/2018</u>	<u>9/30/2017</u>	<u>9/30/2016</u>	<u>9/30/2015</u>
Contractually Required Contribution	479,839	435,952	414,561	385,401	323,424	330,190	310,709
FRS Contribution in Relation to the Contractually Required Contribution	<u>(479,839)</u>	<u>(435,952)</u>	<u>(414,561)</u>	<u>(385,401)</u>	<u>(323,424)</u>	<u>(330,190)</u>	<u>(310,709)</u>
FRS Contribution Deficiency (Excess)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
City's Covered-Employee Payroll (FYE 9/30)	2,934,523	2,507,952	2,473,718	2,396,262	2,015,895	1,490,336	1,737,938
FRS Contributions as a Percentage of Covered-Employee Payroll	16.35%	17.38%	16.76%	16.08%	16.04%	22.16%	17.88%

HEALTH INSURANCE SUBSIDY PENSION PLAN

	<u>9/30/2021</u>	<u>9/30/2020</u>	<u>9/30/2019</u>	<u>9/30/2018</u>	<u>9/30/2017</u>	<u>9/30/2016</u>	<u>9/30/2015</u>
Contractually Required Contribution	48,585	41,632	41,072	39,826	33,464	24,740	21,898
HIS Contribution in Relation to the Contractually Required Contribution	<u>(48,585)</u>	<u>(41,632)</u>	<u>(41,072)</u>	<u>(39,826)</u>	<u>(33,464)</u>	<u>(24,740)</u>	<u>(21,898)</u>
HIS Contribution Deficiency (Excess)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
City's Covered-Employee Payroll (FYE 9/30)	2,934,523	2,507,952	2,473,718	2,396,262	2,015,895	1,490,336	1,737,938
HIS Contributions as a Percentage of Covered-Employee Payroll	1.66%	1.66%	1.66%	1.66%	1.66%	1.66%	1.26%

Note: The above schedules will build to 10 years as information becomes available

CITY OF LIVE OAK
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE SPONSOR'S TOTAL OPEB LIABILITY AND RELATED RATIOS

Reporting Period Ending/ Measurement Date	9/30/2021	9/30/2020	9/30/2019	9/30/2018
Total OPEB Liability				
Service Cost	31,196	21,799	21,243	22,887
Interest	8,917	14,760	16,950	15,182
Changes of benefit terms	-	-	-	-
Differences between Expected and Actual Experience	(44,571)	(49,765)	-	-
Changes of Assumptions	8,706	15,909	35,954	(30,938)
Benefit Payments	(7,311)	(18,443)	(17,800)	(16,368)
Net Change in Total OPEB Liability	(3,063)	(15,740)	56,347	(9,237)
Total OPEB Liability - Beginning	433,664	449,404	393,057	402,294
Total OPEB Liability - Ending	<u>\$ 430,601</u>	<u>\$ 433,664</u>	<u>\$ 430,601</u>	<u>\$ 393,057</u>
Covered Employee Payroll (Projected)	\$ 2,792,563	\$ 2,351,736	\$ 2,316,469	\$ 2,259,970
Total OPEB Liability as a % of Covered Employee Pay	15.42%	18.44%	19.40%	17.39%

Notes to Schedule:

The above schedule will build to 10 years as information becomes available.

Changes of assumptions

Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period:

Fiscal Year Ending September 30, 2021:	2.43%
Fiscal Year Ending September 30, 2020:	2.14%
Fiscal Year Ending September 30, 2019:	3.58%

Combining and Individual Fund Financial Statements

**CITY OF LIVE OAK, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2021**

	Local Government Fund	Special Projects Fund	State Grant Fund	Victim's Advocate Fund	Public Safety Fund	Total
Assets						
Cash and cash equivalents	335,000	\$ -		\$ -	\$ 13,035	348,035
Due from other governments		93,277	\$ -	7,537	-	100,814
Total Assets	<u>335,000</u>	<u>93,277</u>	<u>-</u>	<u>7,537</u>	<u>13,035</u>	<u>448,849</u>
Liabilities and Fund Balances:						
Liabilities:						
Accounts payable and other current liabilities	-	-	-	-	5,361	5,361
Due to other funds/internal balance	-	93,277	-	7,537	-	100,814
Total Liabilities	<u>-</u>	<u>93,277</u>	<u>-</u>	<u>7,537</u>	<u>5,361</u>	<u>106,175</u>
Fund Balances:						
Restricted for:						
Law enforcement	-	-	-	-	7,674	7,674
Recreation	335,000					335,000
Total Fund Balances	<u>335,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,674</u>	<u>342,674</u>
Total Liabilities and Fund Balances	<u>\$ 335,000</u>	<u>\$ 93,277</u>	<u>\$ -</u>	<u>\$ 7,537</u>	<u>\$ 13,035</u>	<u>\$ 448,849</u>

CITY OF LIVE OAK, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Local Government Fund	Special Projects Fund	Victim's Advocate Fund	Public Safety Fund	Total
Revenues:					
Intergovernmental	\$ -	\$ 139,261	\$ 27,228	\$ -	\$ 166,489
Donation-private	335,000				335,000
Fines and Forfeitures	-	-	-	3,826	3,826
Total Revenues	<u>335,000</u>	<u>139,261</u>	<u>27,228</u>	<u>3,826</u>	<u>505,315</u>
Expenditures:					
Public Safety	-	139,261	27,228	-	166,489
Total Expenditures	<u>-</u>	<u>139,261</u>	<u>27,228</u>	<u>-</u>	<u>166,489</u>
(Deficiency) excess of revenues over (under) expenditures	<u>335,000</u>	<u>-</u>	<u>-</u>	<u>3,826</u>	<u>338,826</u>
Fund Balances, Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,848</u>	<u>3,848</u>
Fund Balances, End of Year	<u>\$ 335,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,674</u>	<u>\$ 342,674</u>

Capital Assets

Used in the Operation of Governmental Funds

CITY OF LIVE OAK, FLORIDA
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
COMPARATIVE SCHEDULES BY SOURCE
SEPTEMBER 30, 2021 AND 2020

	2021	2020
Governmental Funds Capital Assets:		
Land	1,823,159	1,823,159
Buildings	4,318,777	4,131,558
Improvements other than buildings	2,231,061	2,231,061
Machinery and equipment	4,547,945	4,525,753
Infrastructure	8,544,688	8,544,688
Construction work in progress	789,255	169,510
	22,254,885	21,425,729
Investments in Governmental Funds Capital Assets by Source:		
General Fund	9,047,319	9,102,696
Special Revenue Funds	1,324,065	1,222,294
Capital Projects Fund	76,366	76,366
Federal, State, and County Grants	7,935,141	7,162,189
General Obligation Bonds	359,781	359,781
Grants and other contributed capital	3,512,213	3,502,403
	22,254,885	21,425,729

CITY OF LIVE OAK, FLORIDA
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE BY FUNCTION AND ACTIVITY
FOR THE YEAR ENDED SEPTEMBER 30, 2021

Function and Activity	Land	Buildings	Improve- ments Other Than Buildings	Machinery and Equipment	Infra- structure	Construction Work in Progress	Total
General Government:							
Legislative	\$ -	\$ -	\$ -	\$ 37,282	\$ -	\$ -	37,282
Financial and Administrative	1,491,331	2,396,224	436,434	614,039	-	-	4,938,028
	<u>1,491,331</u>	<u>2,396,224</u>	<u>436,434</u>	<u>651,321</u>	<u>-</u>	<u>-</u>	<u>4,975,310</u>
Public Safety:							
Police protection	40,000	718,186	-	1,068,181	-	-	1,826,367
Protective Insp.	40,000	445,105	-	53,305	-	-	538,410
Fire protection	35,576	655,970	-	1,667,710	-	-	2,359,256
	<u>115,576</u>	<u>1,819,261</u>	<u>-</u>	<u>2,789,196</u>	<u>-</u>	<u>-</u>	<u>4,724,033</u>
Transportation:							
Roads and Streets Facilities	174,013	-	-	1,019,866	6,722,102	789,255	8,705,236
Maintenance	-	87,116	-	87,562	-	-	174,678
	<u>174,013</u>	<u>87,116</u>	<u>-</u>	<u>1,107,428</u>	<u>6,722,102</u>	<u>789,255</u>	<u>8,879,914</u>
Physical Environment:							
Cemetery	42,239	16,176	-	-	-	-	58,415
Other	-	-	1,794,627	-	1,822,586	-	3,617,213
	<u>42,239</u>	<u>16,176</u>	<u>1,794,627</u>	<u>-</u>	<u>1,822,586</u>	<u>-</u>	<u>3,675,628</u>
Total governmental Capital Assets	<u>\$ 1,823,159</u>	<u>\$ 4,318,777</u>	<u>\$ 2,231,061</u>	<u>\$ 4,547,945</u>	<u>\$ 8,544,688</u>	<u>\$ 789,255</u>	<u>\$ 22,254,885</u>

CITY OF LIVE OAK, FLORIDA
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY
FOR THE YEAR ENDED SEPTEMBER 30, 2021

Function and Activity	Governmental Funds Capital Assets 09/30/2020	Additions	Deletions	Governmental Funds Capital Assets 09/30/2021
General Government:				
Legislative	\$ 33,137	\$ 4,145	\$ -	\$ 37,282
Financial and Administrative	4,814,422	123,606	-	4,938,028
	<u>4,847,559</u>	<u>127,751</u>	<u>-</u>	<u>4,975,310</u>
Public Safety:				
Police protection	1,673,495	234,919	(82,047)	1,826,367
Protective Inspection	538,410	-	-	538,410
Fire protection	2,400,295	14,500	(55,539)	2,359,256
	<u>4,612,200</u>	<u>249,419</u>	<u>(137,586)</u>	<u>4,724,033</u>
Transportation:				
Roads and Streets Facilities	8,143,296	739,141	(177,201)	8,705,236
Maintenance	147,046	27,632	-	174,678
	<u>8,290,342</u>	<u>766,773</u>	<u>(177,201)</u>	<u>8,879,914</u>
Physical Environment:				
Cemetery	58,415	-	-	58,415
Other	3,617,213	-	-	3,617,213
	<u>3,675,628</u>	<u>-</u>	<u>-</u>	<u>3,675,628</u>
Total governmental funds capital assets	<u>\$ 21,425,729</u>	<u>\$ 1,143,943</u>	<u>\$ (314,787)</u>	<u>\$ 22,254,885</u>

**ADDITIONAL ELEMENTS OF REPORT PREPARED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS, ISSUED BY THE COMPTROLLER
GENERAL OF THE UNITED STATES AND THE RULES OF THE AUDITOR
GENERAL OF THE STATE OF FLORIDA**

CITY OF LIVE OAK, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FISCAL YEAR ENDED SEPTEMBER 30, 2021

Federal Agency Pass-through Entity Federal Program	Assistance Listing #	Contract/Grant Number	Expenditures
U.S. Department of Homeland Security			
Direct Programs:			
Federal Emergency Management Administration			
Tropical Storm Debbie	97.036	13-DB-73-03-71-01-586	37,136
Indirect Programs:			
U.S. Department of Justice			
Passed through Florida Department of Law Enforcement			
2017 JAGC RESIDUAL SUV	16.738	2020-JAGC-SUWA-3-N2-191	38,197
U.S. Department of Justice			
Passed through Florida Department of Law Enforcement			
FY18 JAGD RESIDUAL FUNDS	16.738	2021-JAGD-SUWA-2-Y6-076	41,455
U.S. Department of Justice			
Passed through Florida Department of Law Enforcement			
FY19 GUN LIGHT/JUMP BOX	16.738	2021-JAGD-SUWA-1-4R-034	1,214
U.S. Department of Justice			
Passed through Florida Department of Law Enforcement			
2020 CESF PROGRAM	16.738	2020-CESF-SUWA-1-C9-005	48,825
Subtotal of CFDA# 16.738			<u>129,691</u>
Pass through the Office of the Attorney General Victim's Advocate Victims of Crime Act (VOCA)	16.575	VOCA-2020-LIVE OAK POLICE DEPARTMENT -00660	27,228
National Highway Traffic Safety Administration			
Pass through the Florida Department of Transportation			
Occupant Protection	20.616	GIS98	1,957
Speed and Aggressive Driving	20.600	GIR65	7,613
Total Expenditures of Federal Awards			<u>203,625</u>
State Agency Pass-through Entity	CSFA#	Contract/Grant Number	Expenditures
Florida Department of Transportation			
Small County Outreach Program	55.009	GIF11	603,332
Total Expenditures of State Financial Assistance			<u>603,332</u>
Total Expenditures of Federal Awards and State Financial Assistance			<u>806,957</u>

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE PROJECTS
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards and state financial assistance includes the federal and state grant activity of the City of Live Oak, Florida. Expenditures are recognized on the modified accrual basis for governmental funds and the full accrual basis of accounting for proprietary funds. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

2. Contingency

Grant expenditures are subject to audit and adjustment. If any expenditure were to be disallowed by the grantor agency as the result of such an audit, any claim or reimbursement to the grantor agency would become a liability of the City. In the opinion of management, all project expenditures included on the accompanying schedule are in compliance with the terms of the project agreements and applicable.

3. Loans Outstanding

The City of Live Oak, Florida had the following loan balance outstanding at September 30, 2021. There were no loan expenditures incurred during the year ended September 30, 2021.

All FDEP Program Title Expenditures Loan Amounts	Assistance	
U.S. Department of Environmental Protection	Listing #	Outstanding
State Revolving Fund Loan No. WW66206P	66.458	340,311
State Revolving Fund Loan No. WW662080	66.458	1,191,100
State Revolving Fund Loan No. WW662111	66.458	6,922,413
State Revolving Fund Loan No. WW662110	66.458	126,256
State Revolving Fund Loan No. WW610201	66.458	77,036
State Revolving Fund Loan No. WW610220	66.458	1,163,242
State Revolving Fund Loan No. WW610200	66.458	707,904
State Revolving Fund Loan No. WW66207P	66.458	61,689
State Revolving Fund Loan No. WW662070	66.458	279,296
State Revolving Fund Loan No. DW610211	66.458	223,532
State Revolving Fund Loan No. DW610210	66.458	247,540
Total		11,340,319

4. De Minimis Indirect Cost Rate Election

The City of Live Oak, Florida did not elect to use the 10% de minimis indirect cost rate as covered in §200.414, *Indirect (F&A) costs*, of the Uniform Guidance.

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

The Honorable Mayor and
Members of the Council
City of Live Oak
Live Oak, Florida

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Live Oak, Florida (the City) as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated April 26, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstance for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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The Honorable Mayor and
Members of the Council
City of Live Oak
Live Oak, Florida

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, non-compliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of non-compliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



April 26, 2022
Tallahassee, Florida

INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH SECTION 218.415, FLORIDA STATUTES

The Honorable Mayor and
Members of the Council
City of Live Oak
Live Oak, Florida

We have examined the City of Live Oak, Florida's (the City) compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, for the year ended September 30, 2021. Management of the City is responsible for compliance with the specified requirements. Our responsibility is to express an opinion on the City's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the City complied, in all material respects, with the requirements referenced above. An examination involves performing procedures to obtain evidence about whether the City complied with the specified requirements. The nature, timing, and extent of procedures selected depend on our judgement, including an assessment of the risk of material non-compliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Our examination does not provide legal determination of the City's compliance with specified requirements.

In our opinion, the City complied, in all material respects, with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2021.

This report is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, the City Council of the City of Live Oak, and applicable management, and is not intended to be, and should not be, used by anyone other than these specified parties.



April 26, 2022
Tallahassee, Florida

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MANAGEMENT LETTER

The Honorable Mayor and
Members of the Council
City of Live Oak
Live Oak, Florida

Report on the Financial Statements

We have audited the financial statements of the City of Live Oak, Florida (the City) as of and for the year ended September 30, 2021 and have issued our report thereon dated April 26, 2022.

Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Chapter 10.550, *Rules of the Auditor General*.

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountant's Report on an examination conducted in accordance with AICPA Professional Standards, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports, which are dated April 26, 2022, should be considered in conjunction with this management letter.

Prior Audit Findings

- Section 10.554(1)(i)1., *Rules of the Auditor General*, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were no such findings or recommendations in the preceding financial audit report.

Official Title and Legal Authority

- Section 10.554(1)(i)4., *Rules of the Auditor General*, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The City of Live Oak, Florida is a municipal corporation created by Charter appearing as Chapter 21361, Page 1008, Laws of Florida, 1941, which became law on June 16, 1941.

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The Honorable Mayor and
Members of the Council
City of Live Oak
Live Oak, Florida

MANAGEMENT LETTER

Financial Condition and Management

- Sections 10.554(1)(i)5.a. and 10.556(7), *Rules of the Auditor General*, require that we apply appropriate procedures and communicate the results of our determination as to whether or not the City has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific conditions met. In connection with our audit, we determined that the City did not meet any of the conditions described in Section 218.503(1), Florida Statutes.
- Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), *Rules of the Auditor General*, we applied financial condition assessment procedures for the City. It is management's responsibility to monitor the City's financial condition, and our financial condition assessment was based in part on representations made by management and review of financial information provided by same.
- Section 10.554(1)(i)2., *Rules of the Auditor General*, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Special District Component Units

- Section 10.554(1)(i)5.c., *Rules of the Auditor General*, requires, if appropriate, that we communicate the failure of a special district that is a component unit of a county, municipality, or special district, to provide the financial information necessary for proper reporting of the component unit within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes. In connection with our audit, we did not note any special district component units that failed to provide the necessary information for reporting in accordance with Section 218.39(3)(b), Florida Statutes.

Additional Matters

- Section 10.554(1)(i)3., *Rules of the Auditor General*, requires us to communicate non-compliance with provisions of contracts or grant agreements, or abuse that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, the Mayor and Members of the Council, and applicable management, and is not intended to be, and should not be, used by anyone other than these specified parties.

The Honorable Mayor and
Members of the Council
City of Live Oak
Live Oak, Florida

MANAGEMENT LETTER

We wish to take this opportunity to thank you and your staff for the cooperation and courtesies extended to us during the course of our audit. Please let us know if you have any questions or comments concerning this letter, our accompanying reports, or other matters.

A handwritten signature in blue ink that reads "Purvis Gray". The signature is written in a cursive style with a large initial "P".

April 26, 2022
Tallahassee, Florida

AFFIDAVIT OF IMPACT FEE COMPLIANCE

BEFORE ME, the undersigned authority, personally appeared Joanne M. Luther, who being duly sworn, deposes and says on oath that:

- 1. I am the Chief Financial Officer of **the City of Live Oak** which is a local governmental entity of the State of Florida;
- 2. The City of Live Oak adopted Ordinance No. **1058 7-13-2004, 1105 11-8-2005, 1161 11-14-2006, 1196 9-11-2007, 1236 10-14-2008, 1284 9-28-2010, 1305 9-27-2011, 1399 9-27-2016** implementing an impact fee; and
- 3. The City of Live Oak has complied and, as of the date of this Affidavit, remains in compliance with Section 163.31801, Florida Statutes.

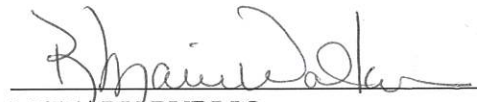
FURTHER AFFIANT SAYETH NAUGHT.



 Joanne M. Luther, Finance Director

STATE OF FLORIDA
COUNTY OF SUWANNEE

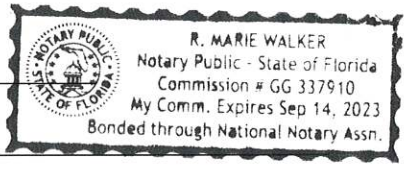
SWORN TO AND SUBSCRIBED before me this 25th day of April, 2022.



 NOTARY PUBLIC
 Print Name R. Marie Walker

Personally known or produced identification _____

Type of identification produced: _____



My Commission Expires:
Sept. 14 2023